



An ISO 9001 Company

June 01, 2026

National Stock Exchange of India Limited,  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

BSE Limited,  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai - 400 001

NSE Symbol: **WABAG**

BSE Scrip Code: **533269**

Dear Sir/Madam,

**Sub: Transcript of the 'Annual Investors Meet 2026 and Q4 & FY26 Results Conference Call'**

**Ref. Regulation 30(6) and 46 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Please find enclosed the Transcript of the 'Annual Investors Meet 2026 and Q4 & FY26 Results Conference Call' held on Monday, May 25, 2026, post declaration of the Audited Financial Results (both standalone and consolidated) of the Company for the quarter and year ended March 31, 2026.

The said transcript is also uploaded on the Company's website at [www.wabag.com](http://www.wabag.com).

Kindly take note of the above.

Thanking You,

Yours faithfully,

For **VA TECH WABAG LIMITED**

**Anup Kumar Samal**  
**Company Secretary & Compliance Officer**  
**Membership No: FCS 4832**

Encl.: As above

Sustainable solutions, for a better life



**VA TECH WABAG LIMITED**

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sustainable solutions. for a better life.

**VA TECH WABAG LIMITED**  
**“Annual Investor Meet 2026**  
**&**  
**Q4 & FY26 Results Conference Call”**  
**May 25, 2026**



sustainable solutions. for a better life.



**ADFACTORS PR**  
Reputation & Critical Issues Advisory



**MANAGEMENT: MR. RAJIV MITTAL – CHAIRMAN AND MANAGING DIRECTOR**  
**MR. BHUPESH CHOWDARY NAGINENI – DEPUTY MANAGING DIRECTOR**  
**MR. S. VARADARAJAN – DIRECTOR AND CHIEF GROWTH OFFICER**  
**MR. SKANDAPRASAD SEETHARAMAN – CHIEF FINANCIAL OFFICER**  
**MR. SHAILESH KUMAR – CHIEF EXECUTIVE OFFICER, INDIA CLUSTER**  
**MR. ROHAN MITTAL – HEAD – STRATEGY & BUSINESS GROWTH (GCC)**

**Management:**

Hi, good evening, everyone. Thank you so much, and a very warm welcome to you all for coming to VA TECH WABAG's Annual Investor Meet 2026 and Q4 & FY26 Results Conference Call. I will just give you a little bit of an overview of the company. The WABAG Group, founded in Germany in 1924, today as we speak VA TECH WABAG is pure-play Indian multinational in the sphere of water technology.

As a market leader in the water sector, its operations are spread across four continents and in over 25 countries. WABAG is ranked among the top three global private operators and global desalination players. WABAG has successfully delivered over 1,500 projects over 25+ years across drinking water treatment, wastewater treatment, recycle-reuse, desalination, and industrial water treatment for marquee clients in the municipal and industrial sectors.

As a Group, WABAG has always strived to remain asset-light and technology-focused to deliver sustainable solutions to its customers worldwide. From the ground-breaking technologies to comprehensive water management systems, the group has played a pivotal role in shaping the landscape of the water sector, while resiliently weathering the ups and downs of the markets over decades. WABAG celebrates over 100 years of legacy in delivering innovative, affordable, and sustainable water solutions, touching the lives of billions of people across the world. It is our pleasure to host all of you for this informative and interactive session with the senior management team of VA TECH WABAG.

Today we have with us Mr. Rajiv Mittal, Chairman and Managing Director; Mr. Bhupesh Chowdary Nagineni, our new Deputy Managing Director; Mr. S. Varadarajan, Whole Time Director and Chief Growth Officer; Mr. Skandaprasad Seetharaman, Chief Financial Officer; Mr. Shailesh Kumar, Chief Executive Officer – India Cluster; as well as Mr. Rohan Mittal, Head; Strategy and Business Growth - GCC.

Before we begin, I would like to add that the presentations and the discussion during this meeting may contain some forward-looking statements about the company and the group. These may be based on beliefs, opinions, and expectations as on date. These statements are not a guarantee of future performance and can involve risks and uncertainties that may be difficult to predict.

Without much ado, I now request Mr. Rajiv Mittal to kick off the proceedings. Thank you so much, looking forward to a wonderful and interactive session. Over to you, sir.

**Rajiv Mittal:**

Good evening, ladies and gentlemen and friends. It's my pleasure to welcome you all to our quarterly and annual result interaction. It's become a tradition for WABAG, once a year, to meet and have a face-to-face interaction with you all. It's been very beneficial for us, this face-to-face interaction. We carry a lot of messages from you, we can clarify a lot of your doubts and expectations what you may have, and we have always found it very fulfilling to have this face-to-face interaction, and I hope that we will continue this in the future.

I think it's a time when water is becoming even more important, and there's a huge awareness about this resource, which is very undervalued, to suddenly come to the limelight and we know

that it is an economic resource, it's a valuable resource, and especially in this recent war time in the Gulf area, this has become a very precious resource.

I'm sure we all are following this. We know each of the countries where we are present, including India are focusing on water. And we'll go through some of these slides just to create this feeling about why water and what is the role of WABAG in this water sector?

This presentation will be covered into these four topics. We'll talk about WABAG as a Group, then about the Strategy, then Shailesh Kumar, our India Cluster CEO, will take you through the India Cluster, and then Rohan Mittal will take you through the MEA Cluster (Middle East and Africa Cluster). And we will have our new addition to the WABAG family, Mr. Bhupesh Chowdary, will talk to you about his initial impression about WABAG and his interaction with the WABAG team, and what he believes this sector has to offer and what will be his role in shaping the future of WABAG.

Let's start; WABAG as a Group. See, this is very important to see that even today, when we talk about water, we realize that more than 2 billion people still are lacking access to safe drinking water. This is a basic necessity for a human and this is not available to more than 2 billion people across the globe.

So just to give you an idea what this requires, what is the opportunity here? This is also WABAG is looking at providing treatment to the wastewater or used water so that unused or untreated water is not discharged into the streams, into the surface water and polluting our freshwater resources. So that's another opportunity we have to talk about is what we need to do to treat this water?

Next, our industry is dependent on availability of reliable, sustainable and affordable source of water, which can keep the industry going. Otherwise, we see that industry can suffer up to 80 billion per year if this water is not made available to the industry. Even today, we see that freshwater is declining because of climate changes, 7% in a decade, the freshwater resources are declining.

Other side, the demands are going up because urbanization, quality of life. Maybe our parents and grandparents used to take bath in one bucket of water. Today we are used to tub baths, power showers; we consume maybe three times, five times of that one bucket. So our demands have gone up.

Washing machines, dishwashers, all consume a lot of water compared to what we were using, maybe a few decades back. One side the demand has gone up, other side the availability has come down. So there's a big gap between demand and supply.

Again, if water is not available as a reliable source 365 days in a year, this can affect almost 50% of global GDP. This 70 trillion is almost 50% of the global GDP, that's the impact water has on our daily life, on our economics. So when we say why water, this is the reason water is important

and we all have to consider water. We have to look at this and say, how we as water managers can help to resolve this situation, correct this situation and be the brand ambassadors for water.

See the capital which is allocated for water is all-time high. There has never been an opportunity where so much capital was allowed for water. Today, this is what is capital allocation for water, you can see even in India in last 10 years, including the COVID years, the funds which were allocated for water sector has never reduced. Year on a year, these funds have increased and so is that in other geographies where we are present. So we are not seeing any dearth of funds available for water sector and that's another good news that we can look at it bullishly, we can be very positive about the future of water sector.

Last, the new demands, the new sector which has emerged over the last 5 to 10 years. You know during the COVID crisis, the chips, the semiconductors were not available; almost every country was dependent on China to supply this. And almost for a year, the supply from China was stopped or partially available, which affected almost every industry, every country of what they had to deliver.

So all the countries; including the developed world, have taken a decision to set up their own manufacturing. No more dependency on China to supply these chips. And this sector requires special, what we call it as a ultra-pure water. Almost zero salts in that water because they don't want any salt deposited on the chips, which affects the performance of the chips. So that's a new sector which has come up.

India recently got a license to manufacture PV cells. We were making panels. Now these PV cells for solar panels require again ultra-pure water. And this is a again a new sector for water which we need to supply for PV cell manufacturing.

Data Centers, another new thing which was not there five years back. Today, massive data centers across the globe are coming up. You must have read it, you must have researched it, and you know the biggest consumption for a data center is power and water. And that is mainly for air conditioning. And this water is again a new area for growth for us, and we are focusing on.

Next, we have heard for last decade, the Green Hydrogen. It's a talked-about it, a subject still economically not very viable, but because of certain carbon emission reduction targets various countries have taken, they are still investing in this sector. And as the production goes up of this green hydrogen, I'm sure the cost economics will be more favourable to make it economically viable, which we believe in next three to four years we'll see more of these plants coming up and hydrogen will get converted into ammonia, which is a basic raw material for fertilizer.

Again, AI is a hot topic. Everybody is talking about it. Do you know for AI also there is a water consumption? And that's another new area which we are focusing on. So these are the new five sectors which we didn't have a few years back and suddenly the focus is there. And identifying an opportunity, we have a separate vertical, separate team who's focusing on this opportunity.

You see, this is the question is why WABAG? If water, yes, it is important; yes, there is opportunity; yes, funding is available; new sectors are available; then why WABAG, why not somebody else?

We are showing you the performance of the company and how it is well-suited to take advantage of the opportunity which is available in this sector. Today we have INR 17,200 crore of order backlog. We have a record high of INR 371 crore of PAT. We have a revenue growth of almost 20%, which we had told you in the same forum about three years back that we'll be having a growth of 15% to 20%. We are at that 20%. Our rating is AA- stable on long-term and for short-term A1+.

Our net cash, excluding the investment in HAM, is INR 950 crore, because our borrowing is less or more or less close to INR 100 crores because that's the working capital we take because we don't want to break our fixed deposits. So that is the reason, otherwise we are completely debt-free company. ROCE, we had given you a target of 20% and we are almost there, 19.4%. EBITDA, we had given you target between 13% to 15%, we are there. So, you can see that what we committed to you, we have delivered.

This is the same thing. You see as a company, we are present in 25+ countries, mainly as developing countries or emerging world. Except a few countries which are in the developed world, mainly our business is in the developing or the emerging world. We have almost 2,000 technically qualified, competent engineers who are working across the globe, who are full-time employees of WABAG. We have built more than 1,500 plants since 1995.

We are globally number three, both in terms of number of people we serve as a private operator and also in desalination plants. So, we are number three globally. India we are top company by far, we are bigger than anybody else. All businesses put together, we are still bigger than anybody. But globally also, we are recognized as number three.

We are a technology company, we have our own R&D, and we spend a portion of our revenues for R&D and upgrading our technologies. We have more than 125 patents and trademarks. We have R&D centers both in Europe and in India. And we have probably the lightest balance sheet.

If you see our gross block in this sector, nobody has less than what we have. So we are very, very low on assets in our balance sheet. So we are a very asset-light company and that is what we want to continue, what we have achieved in the last over 25 years, and we want to continue that.

We have told you before and I want to repeat, we are more than a 100-year-old organization, started in 1924. And we have gone through various phases. Significant is the Indian business was established in 1996. Post that 2005, we did the management buyout. And then we did a historic event where we as a subsidiary company bought our parent company.

This is a historic milestone globally, and that was done in 2007 where we bought the global business of WABAG from Siemens in 2007. And then we became a listed company in 2010.

And after that, all this you can see, the major projects we have taken, including the recently we won the Asia's largest desalination plant, which we are building, and next year around this time we should be commissioning this plant.

Now if you see as a company, we follow the UN SDG goals and also ESG goals. And just want to tell you on one slide how we are following by being clear about power, water. First, we want to say that carbon emission, greenhouse gases emission, we want to be Net Zero. We want to be water positive. Waste to energy or waste to wealth as many may call, we have been in that business for over 25 years where we are converting waste into wealth.

Resource recovery, like many other products, water or wastewater, nothing goes waste. We ensure all the three forms the gas, the liquid, and the solids are used as valuable economic resources, so there's no waste from the used water. Circular economy, everything which comes goes round and there is no external discharge, so everything is reused in this model.

On this ESG side (environmental, social, and governance), I think we have talked enough to you about it and we are proud to say that this remains as our focus and we are always very clear that this is something which we focus on and we want to remain very focused on ESG goals.

This is our board. We have the management here. As you can see, we have four Non-Executive Directors and only two are Executive Directors. So majority is Non-Executive Directors. Further, all our committees are headed by Independent Non-Executive Directors. Not a single committee is headed by Executive Director.

That's how we bring in the governance and independence of your board. Very few companies you would find this kind of structure, but we have achieved it. And then at the lower section of this slide, we have our top management. All of them are here, except we have a Mahmut Gedek who's from Europe, could not join today, but otherwise the management is in full attendance here.

These are our clients. You can see all the marquee names both in India and abroad are our clients. As you know, payment security is a biggest factor when we select our projects. All these multilateral or funding agencies are important for us because only projects funded by them are on our order book. We don't take projects which are funded by state government or municipalities because we consider that as a big risk.

You can check our order backlog; either they are funded by these multilateral agencies or they are sovereign funded by the government like Government of India funds Namami Gange, AMRUT, Jal Jeevan Mission, and this kind of projects. You go to Saudi, it's a Saudi government which will fund or Ministry of Finance which will fund these projects.

In the industrial side, you can see we really work equally good in the industrial side. The major sectors where we work is oil and gas, power, steel, fertilizer. These are major industrial infrastructure where there's a massive requirement of water. And we focus on only large, mega, and complex projects, and these are coming from this kind of projects you see this.

Now regarding the market opportunities. This is what is the opportunity we have. If you see, everything is in billion dollars in next five to seven years. So you see India itself is more than \$25 billion in next five to seven years. Saudi more than \$30 billion in next five to seven years. Then comes Africa, Europe, Southeast Asia and CIS countries.

This is the region which we are operating. And if you put all this together, this is almost 75 billion to 100 billion in next five to seven years is the opportunity. And the future energy sector, which I told you solar, semiconductor, data centers and all, this is further 5 billion to 6 billion. This is just emerging now. I'm sure as we go along in future, the opportunity will be much bigger than this, but the initial this is a number we have.

This is what I've broken down. That's our core market, which is \$75 billion. Then future energy solutions is \$4 billion to \$6 billion. And then we have another vertical, you know very well, is operation and maintenance, which is a predictability in this which brings because these are long-term contracts, 10 years, 15 years, 20 years contract and that is another \$10 billion in next five to seven years.

Now if you see what is helping the sector and what is providing the headwinds which we need to be aware of and trying to navigate that. See, one, there is enough opportunity in the water sector, we have seen it in the last few slides. There is a huge investment India has allocated, whether it's Jal Jeevan Mission, AMRUT, Namami Gange all these initiatives the government has funded for the water sector.

GCC and Africa, there is this Saudi 2030 vision, plus you know there is a FIFA World Cup which is being hosted by Saudi Arabia. That's another opportunity to invest in the infrastructure. Then new economy, we have seen the new sectors have further requirement of all this ultra-pure water and then reuse market.

When you see the headwinds, we are seeing recently the geopolitical situation in Gulf area, which is trying to affect the smooth operations of this market. We have to be careful about it, we have to be aware of about it, not to be over-concerned about it, but we must know that there is an area which can destabilize it and we should be able to navigate that.

Government spending, it depends like now, if we are spending more money on the oil, naturally government will have to cut down some spending somewhere. So that is another risk which we should be aware of, and we hope that this doesn't happen, but we know it can also happen.

Currency and raw material volatility, this is also something which is an effect of geopolitical situations. First, we saw Ukraine-Russia war, now we see Gulf crisis. So these are the things which can have an effect on the business. Of course, when sector is so attractive, the competition is going to grow. We are aware of it; we should have our strategy how to beat the competition.

Also, when we look at this is what I had told you, the company's result. In spite of all these headwinds, the tailwinds had more effect to give a positive result than the headwinds trying to affect our speed and reduce our speed.

As a goal, what we as management work on. If you see global water leader, we aspire to be the most trusted name in water. And we have a lot of awards and recognitions to get that. We are sustainability champion, we try to advocate circular economy, we try to do resource recovery, we reduce carbon emissions, greenhouse gases, so we want to be seen as helping the environment in general by giving clean and safe environment for our future generations. Technology-wise, digitization is a top of our agenda. And going forward, you will see that WABAG is taking, we have already adopted that in few of our plants, going forward we are expected to do much more.

Employer of the choice I think when the growth is there and resources are limited, we somehow have to be attractive to the employees that WABAG as a brand should attract the best talent in this sector and that is what we try to do. And we also maintain diversity, so that is equal opportunities are given to all the gender. This is something we work and also because we work at site, so we have a lot of labour force at site, we try to see that there is a zero loss of time because of injury.

We always have a mantra that we grow. We not only grow on top line, but our growth on bottom line has to be more than top line. That's what we call as profitable growth. If we grow on top line 20%, we ensure that the bottom line grows more than 20%. That's what is profitable growth. We don't grow at the cost of our profit. And also we ensured that at the same time our cash generation is more than this 20%. So that's profitable growth and that's how we want to grow.

Most valuable water company, again return on capital employed, return on investment, all these ratios we want to have the best in the class. We also want to enjoy you as investors' confidence and trust and that's will make us a most valuable company. I will give it to my colleague, our Group CFO, Mr. Skandaprasad Seetharaman to continue the financial part of the presentation.

**Skandaprasad S:**

Mr. Mittal, thank you. Good evening to you all. Thank you very much for joining us today and allowing us to present to you what we have achieved this year and what we are going to do for the future years. I'll quickly take you through the strategy and performance. This is the performance for the quarter and year ended FY 2025-26.

As you can see, we've grown at a 20% year-over-year on top line and on PAT we've grown at 26%. So the profitable growth mantra which Mr. Mittal mentioned, we have been demonstrating and it is not different this year. Likewise, also for the quarter, we have grown profitably.

These are the key performance metrics: EBITDA at 13.3%, PAT at 9.4%, closing with a net cash of INR 9,500 crore, return on equity of over 15%, net working capital days hovering around 100 days and our return on capital almost 20%. In terms of the key things that happened through the year one.

Our order intake we closed with INR 7,500 crore almost that is year-over-year. Last year we did about INR 5,700 crore this year we have done INR 7,500 crore and closed with an order book of INR 17,200 crore with a robust revenue visibility as well as a robust pipeline visibility as we move forward.

We also secured many mega projects, some of them here. One is the mega project at Chennai, the 45 MLD TTRO plant, which is on a rehab plus O&M. When we say mega, these are 1,000+ crore projects. One more was the ADB-funded Chennai city-wide looped water grid. This is the first in the country to build a ring main which ensures equitable water distribution for Chennai.

And also the Mega Yanbu Desalination order in Saudi. So this year we had three mega orders, three INR 1,000+ crore orders. We closed the year as net cash positive for sixth consecutive year and thirteenth consecutive quarter. So it's not just year-ends that we are positive, even quarter-ends we ensure that we remain net cash positive.

And in line with the performance, the board recommended a final dividend of INR 5/- per share, up from INR 4/- last year, recommended to the shareholders for approval. Now having seen the numbers, we also wanted to show you the measurement against the commitment. The first column you would see the commitments that we made in terms of the medium-term outlook.

We said we will keep our order book at least 3x of revenues. We are at over 4x of revenues, giving a robust revenue visibility. 15% to 20% CAGR of revenue, this year we did almost 20% on the higher side of the band. EBITDA 13% to 15%, we've firmly remained in that band not just this year, but over the last 2 to 3 years.

ROCE over 20% we are getting closer to that and I'm sure in the next couple of years we will surely cross 20%. O&M at 17% we said that our medium-term 3 to 5-year outlook is to take it to 20% and we are working and on track from that perspective. ROE over 15% we are closer to 16% now, inching upwards, profitability, better returns and net cash positive for the sixth consecutive year.

Now it is not just this year, you would see six consecutive years and just I put out the 3 years from the time we gave commitment. When we came here, we were about INR 100 crore net cash positive. Today we stand at close to INR 1,000 crore net cash positive over a period of 24 months, 30 months.

And thanks to the focus from the entire business team to look at profitable growth, cash-accretive profitable growth and focusing on better working capital management and debt and cash management.

Cash flow for the year, the free cash flow to firm was almost INR 300 crore. We started with an opening gross cash at the start of the year at INR 950 crore. Through the year, this is the cash generation on a free cash flow basis. We further reduced our debt. Today our debt stands at about INR 100 crores. We reduced about INR 140 crore from the cash we generated, de-risking the company from a debt perspective.

Today we take debt by choice, not by compulsion. So we take debt more as a strategic decision rather than as a decision to run the business. And we also paid dividends last year, which is reflected here. This is the interest. We closed with about INR 10,500 crore of gross cash, adjusted for INR 100 crore to INR 110 crore of debt would be the INR 950 crore of net cash. And year-

over-year, you would see our net cash growth is 35%. Last year we had INR 700 crore. We closed with, this year we're closing with INR 950 crore.

This is the revenue break-up: EPC O&M about 83% and 17%, Municipal Industrial 80% and 20% and India ROW almost 50% and 50% in line with what we said. As we move forward, we would see that we are inching towards our commitment in terms of the O&M moving to 20%. On the closing order backlog, again our India and ROW is 60% and 40%.

I think in a couple of quarters we should be more in 50% and 50% if you take the average, we've been around 50% and 50%. O&M is almost 40% of our order backlog. This is a high revenue visibility segment where you can see almost INR 6,500 crore of order backlog is there. We have orders which range from 5, 10, 15 and even 20 years of O&M.

This is recurring annuity, cash-accretive, margin-accretive, asset-light, very, very low on risk. And this is what we see as one of the levers to build the business both from a revenue and margin perspective as we move forward and these are the major orders in our order book. You can see most of the orders we have are all technology orders.

If you see out of the top five, three are desalination, one is a reuse order and this is the first of its kind in the country, a looped water grid in Chennai that we are building. And it is well-spread across the world India, Saudi Arabia, Middle East, Africa, SAARC countries, Southeast Asia.

So there is a fair spread also, which gives both geographical diversification and opportunities to improve revenue. Year-over-year, our order backlog grew by 26%. When our revenue grew by 20%, we have grown our order backlog by 26%. That gives better visibility on the revenue growth as we move forward.

With this, I'll hand it over to Mr. Shailesh to take you through the India Cluster highlights.

**Shailesh Kumar:**

Thank you, Skanda. Naturally, with this kind of result what we have given and the outlook what we have projected, natural interest would be where is the next phase of numbers, our result would be coming from. And from that point of view, I'll take you through some of the geographies which I'm responsible for, what is the growth which is coming from.

So India will continue to remain a growth engine for us as we have humongous opportunity here. We are treating still 28% only of the sewage which gets generated in the country. And we are moving towards a developed nation, Viksit Bharat and that definitely creates lot of opportunities for us to be creating our impact in this market.

Having said that, SAARC countries, again on social sector, the multilateral funded projects will opportunities are there. And numbers what you are seeing, India 20 billion to 25 billion opportunities we foresee. And SAARC countries again 5 billion to 10 billion opportunities which are there, which we are connecting with the people and there we are hopeful of converting some of those to our advantage.

Southeast Asia is another geography where we are putting our foot there and we are successful in some of the places. We are consolidating our position in some of the countries and that is what we see further expansion into this region. So all this growth which will be coming from this geography, we'll continue our focus that the projects are sovereign guaranteed and MDB funded project.

We will have also mix of social sector and industrial sector and from that point of view industrial capex would be another driver for us growth. As we saw, future energy is another component of our growth. Though it is what we are going to create value, it may not be contributing significantly to the top line, but in times to come it will be having volume also. So we have started working in that and there are certain success also. And of course, across all the geographies the urbanization pressure is there and from that point of view growth is coming.

Some of these projects Skanda was talking about in the last financial or recent past, we had these successes. The Chennai project what he was talking, the grid which is first of its kind and not only we have bagged this, this puts us into advantageous position that we would be able to get advantage out of it in other prospects which are going to come and other cities are definitely going to follow the route.

We have in our endeavour towards reaching 20% of our component on O&M, this is a major win what we had, mega win on O&M and Kodungaiyur plant. So this is again a tertiary treated plant and this is water reuse, which is further we are unique in the country in terms of tertiary treated and we are helping industries and the nation of effective water utilization and naturally in the process we have good opportunity in terms of O&M.

Nepal is another geography, I was there a few days back and major project on water sector and wastewater sector both we are doing there. We are probably doing the maximum volume in this country and we see further opportunities again multilateral backed fund is there and they are ready to invest and we see opportunities going there.

RenewSys is one where ultra-pure water which is of interest everybody's talking about and we are helping this solar prospect or solar industry. And ultra-pure water ETP and ZLD is one which we have bagged and the project is going well. That is one aspect.

Industrial is another. BPCL is the another project which we got, big project, large project. And again we have this is a consolidating our position in terms of industrial prospects in the country.

And BWSSB, again mix of it, industrial and this is on social sector, that project is also what we have probably bagged and we see further opportunities in this place in Bangalore and BWSSB which would be coming our way.

The numbers what we see are also coming from some of these big projects what we have been executing. And I am really pleased to announce you that this Digha-Kankarbagh STP project which we have recently completed, this was awarded as the best wastewater treatment project of the year by GWI.

There was a thorough competition and jury decided with this at GWI that best project of the year. And this is a proud achievement by your company at the international forum amongst the competition from all the place across the globe, this project got the best project award. This is Bhagalpur again is another project in Bihar which we have done and this is state-of-the-art technology and we are serving that social sector and it has a huge impact.

Project has entered into O&M phase. This is the third project what we are looking at is a TTRO project. This is again to serve the industry and the impact it is created that industries which were on verge of close down, they are coming back and telling us you have helped us in surviving.

One we feel happy that we are doing the business, but one when we hear that Commissioner was telling me that industry is coming and telling them we never expected such a pure water, clear water would be coming and they are reorienting their business and plant based on the quality of water we are supplying and industries are surviving.

So this is a proud success by the company that we have been able to do this. There are three Philippines project which we have almost completed, it is in process proving stage and the project is on the verge of getting concluded. So these are the project status and those definitely are adding to the number.

These are some of the mega projects. Perur desalination, I'll be leaving you with the video of that plant, but this is something a jewel in our crown that this is a Southeast Asia's largest desalination plant and we have done it very well, so far went well. Every facet of the project being the specialized offshore area, onshore area, with each passing day we are improving our position on this project and project is looking more promising.

Second project is in Bangladesh in spite of all the turmoils what we had. We are well on path, there were few challenges though those are history now and we are moving towards advanced stage of completion of this project and project is doing well. And along with this, again we see more prospects coming on the similar line to our country, that country is also focused on social sector, there is opportunity for river cleaning. I was there with the Minister there and they were talking that how can we follow the suit what is being done in the India.

And that gives us opportunity to be there in that country and helping these prospects to grow. Nepal is as I told you, we are major player there and this is another project which we are doing and almost moving towards completion by the end of this year, three projects which are there we are going to complete. And Reliance is one of the project, there are more Reliance projects, this is also in advanced stage of completing.

So having said that, this is these are enablers for our success, what is what we will be focusing on and this is what is going to help us in consolidating our position. We will continue to maintain our market leadership. The volume what we have exclusively in water sector, pure-play water company and the volume what we are doing on EPC, this is unparalleled and we will continue to maintain our leadership position.

The strategic focus, profitable growth, few of the selective projects we would be going, we will not be chasing every prospect and from that point of view that focus we'll maintain, which project, which geography, with which multilateral funding agencies we'll be working on.

In our business, the everything is dependent on the team that we have and we are growing, growing close to the 20% what is the biggest need is team development. And we have a great plan in terms of consolidating or improving or reinforcing our team and that is a work in progress and that will continue to remain because the kind of growth what we are talking about will not work without this, so this remains on the management focus.

We will have a diversified portfolio and we'll ensure that O&M and EPC and even amongst EPC, the desalination, wastewater and water treatment, all these balancing of the portfolio would be there so that it goes in a coherent way. And we'll definitely enabler is technology, we are a we have that technology edge and we will continue to grow on that technological edge.

And that means we will continue to focus on our R&D as well as the engineering capability what we have, that is what we bring in the value proposition, value engineering, that is our competitive edge and we'll maintain that and these would be our focus areas with which we would be increasing our consolidation.

So that's all from my side. This is the way we would be growing and I leave you with this video of our proud project what we are doing in.

[Video Presentation]

**Rohan Mittal:**

Hi, good evening, everyone. It's been a good year for not just the company but exceptionally a good year for the Middle East and Africa cluster. We have chosen the right jobs, we have kept our strategy as set out in WRIDDHI that Middle East and Africa is going to be the growth engine for VA TECH WABAG.

We have picked up orders, we've picked up good orders, we have not been, desperate in the market, we have picked up orders that are going to be sustainable and will protect the company's risk. That is what is our aim as a cluster.

So GCC, yes, one of the biggest markets as what was shown earlier in our presentation. For the next 10 years, we see an average of \$5 billion per year of opportunity. This would be coming from various initiatives in GCC like the Vision 2030 or the FIFA World Cup 2034 or the FIFA World Cup 2030, which is, driving a lot of growth in Morocco.

Also, following Saudi and Morocco, Oman has now announced their Vision of 2040, which we expect that, it will bring in a lot of growth. We are seeing a lot of traction also, which we are very happy about. Kuwait, a lot of potential in the market. We've been trying to win some jobs there, but we weren't successful before. But now with Doha, we are proud that we are in a preferential position. We should be, signing the job in a short span. So this is our foray into Kuwait. Also, we have opened not just Kuwait, we are also in a good position to foray into UAE.

This would be our first order. The branch has been there for a long time, we've been trying hard, but we would be happy that we would be finally entering into the UAE.

So it's been a mix of everything, getting mega orders like Yanbu. We've been getting into new geographies. I think this has been an excellent year for the Middle East and Africa cluster. Also, keeping that in mind, such a big demand requires a big team and we are working on that. So GCC we see that \$50 billion give or take. This is what the market research, our research, our talks with, the authorities in Saudi, UAE, we are seeing projects, we're seeing consultants starting to, do their feasibility studies. So these are few numbers that are astonishing for us to see that this is the size of the market. And I'm sure when we did our strategy, we recognized correctly that Middle East and Africa would be the growth engine.

Africa also as a market has a lot of focus. The best part about Africa is all of these projects come under multilateral funding, you know, which we've been talking about gives us a lot of payment security, a lot of professional contracts, a very good market too for us that we've been doing steady business.

We've been prevalent in the Francophone region. Now we are seeing / fortifying, looking at projects in Sub-Saharan. We have won our Namibia job there and we are executing it. So we are really hopeful that we'll keep up the tempo, we will keep up and we will be getting more and more growth to your company.

Now, yes, obviously the desalination has been the mega driver in the region. So wastewater, especially, the wastewater they are treating it, they are using it for fauna and flora basically. It's all their initiatives of Riyadh Green is using treated wastewater, which is a sustainable way and there if really you go to Riyadh or some place, it's as green as India now.

So I think their vision is correct, they are implementing it. We have executed Jeddah, we are executing Al-Haer, we are in a preferential position for another. All this water is going to be used for irrigation. So we are seeing a lot of, strategy being put, right projects being implemented for the right purpose.

They're not wasting on comparatively expensive water, desalination for irrigation like they used to do. A lot of thought being there. SWA is now leading that thought with the other government entities and this is something that we are seeing that there's a lot of push from the government to be more sustainable and which is something that synchronizes with our vision what we want to be at WABAG, which excites us to be in a market as such.

One place where we have, yes, we have got few jobs that we have done in the past. I think we have done Jazan, Ras Tanura, but industrial is a big plethora where we are now looking to expand exponentially as Aramco is coming up with big plans. We are seeing a lot of traction in industrial, especially as we said earlier, AI and mining is a field that we see will bring in a lot of growth in Saudi Arabia.

We are there, we are keeping ourselves upbeat, we are getting ourselves registered, we are already registered with Aramco, now we're working on work groups, so we will see more and more of industrial jobs being added as we move along. As we because we've been focusing on municipal, now we want to increase our industrial mix. That is something that we are focusing.

All the projects in Saudi are sovereign guarantee funded, so they are all secure. There is no issues on security. In fact, SWPC, you know, this concept of it being a BOOT project brings in a lot of security and hence you see a lot of interest from companies globally going there and bidding.

Obviously now with all this FIFA coming in, all the attraction of Saudi developing cities, developing, you know, parks, you're seeing a lot of population going there that, sometimes they also don't give us visas on time. So you're seeing that a lot of influx is there and when there's influx, definitely the water follows it. So that's a good sign for us.

So what makes us special? WABAG is already there for four decades. We have a good name, we have done some discrete projects, we have done executed projects. Yes, 1,500 since 1995, but from the inception we have built 7,000 plants and all of these plants have been functioning well. We have no black marks. You know, we don't just talk, we walk the talk. So that's something that, you know, in a market like Middle East, it matters more than just talking.

They trust us. We are one of the Indian companies who are, getting so much of attention, applauds, like Shailesh told we have won the wastewater project of the year. Not just that, we got selected for the desalination company of the year. Unfortunately, a bigger developer who is in a developer stage won it, but we were one of the five that got selected as a desalination company of the year.

So, I think we have everything. Now it's the time to use it, to use our technologies, to use our know-how, to use our engineering, manpower, and to win jobs, execute it, and that's what is our goal at Middle East. It's a young team, we are all young. I mean, the oldest person in our team would be I think 42 and he's been with us for 20 years, so he's looking after our execution. So this is what we are aiming to do.

These are few orders. We would have picked up much more. Everybody knows about the Yanbu desalination, a mega entry into the market. This brings in a lot of trust with our clients. We always had a good name in wastewater, but never in desal although we had done a few projects there, but we hadn't done many others.

Now this project has opened a lot of entries with all of the other customers. They have got their trust on us, they've seen our technical capabilities, they've seen that even if, unfortunately the client had to recalibrate, we have gone again, we have worked with the client, we have won it again, we understand the subject.

And I think more than anything, that confidence gives them a lot of, hope on us. And today we are working with the who's and who of the market. Every job we are there with our foot, we are one of the bidders. We are not just lying back and doing nothing. So, this is something that we

see that we are wanted in the market, which is a shift we were eyeing to have and now we are in the right position to capitalize on the shift.

BWRO Al-Jouf, this again shows that what our focus on technology is. Ceramic membranes, radium removal, everybody stays away from it but not us. We have built tough oil and gas plants and we love to showcase it, we don't run away from opportunities. And this is something that we have built.

We are second to none when it comes to, building industrial plants, whether you take it for oil and gas, whether you take it for in minus 50 degrees in Russia we're building one, for PETRONAS we have built one. So there's a lot of trust on the company that they are the ones that can deliver industrial plants.

And obviously the repeat order, this repeat order shows what confidence the customer has on us. We built the plant, we operated for seven years, we have got it again. Client is happy, we have safely executed our work, everything positive about this plant and we are looking to keep the same trust of the Client.

These are our few projects that are in execution stage. Al-Hair, yes, one of our first, one of our biggest orders into the Middle East, 200 MLD. We are in with a partner where we are the leader. We are building the STP, they are building the pipeline. Again, pipeline not being our core, we gave it off as a consortium to our partner.

This project is underway. It is in advanced stage. The construction is over, we have achieved 83% of physical progress, the latest progress what last month we had posted and we are keeping up on it, we are on track and we should be commissioning this. Again, a technology job, won by technology. We have given our client a lot of positive IRR, increase in IRR through technology. For us also it's beneficial. For him also it's beneficial. This shows that our focus on technology, how it can add value not just for us but for our clients also.

Senegal, again one of our projects, the supply is done. The commissioning has started. The pre-commissioning activities have started and we are expecting to close it soon. Zambia, new country we had forayed. The project is going good. The civil works have started and we are looking to successfully build and commission this plant.

These are our O&M projects. O&M what we have been having, but as a cluster we are also focusing on bringing in more O&M business, even though the market is not as big because it's a developer market where developer develops the job and operates and maintains it. So generally, they keep the O&M part. But we are talking to them, we are trying to add value to them and see whether we can convert them. So these are our few O&M.

As told, in Bahrain the project is going good. We are doing an O&M for BAPCO, this is our first industrial O&M in the region. The project is going good. Duqm, we had built the plant, we were operating it for three years and then somebody else took it from us, augmented it by 2

MLD, then we took it back and we have been operating it successfully. The client is really happy with what standards we maintain.

Qatar Energy, yes, we have been focusing on Qatar a lot. We have our marketing team there. So this O&M is also going on good. There's been no complaints and the operation and maintenance, even we have won safety awards for keeping the site neat, tidy, safe for this project by the government.

So our strategy has been to go into new markets. We are as a cluster looking to expand into not just keep our focus on KSA or in Francophone regions and bring in risk in the sense of a fixed market, a fixed risk, geopolitical risk. We have been trying to expand into other markets which I had told before. We have been successful. We're keeping at it. We're recruiting people in the CIS.

We have recruited a very senior person, we are serious about it. This year we are really hopeful that other than Georgia, we will also be taking two to three more. It's a good market. It has to develop the Mundane municipal small jobs have been coming, but a developer job we are still waiting for it and we are hopeful that soon we'll get one job cracked through, a big one there.

Global strategy, we've been talking about it; offshore, onshore, 'Go glocal'. This is what we have done. We have been successful by this model. We have been having our local marketing team who's in touch and connected with the client. We control all the bids from here. We do bid camps with our clients for weeks or two weeks or months to understand, to talk about strategy, how to win it, add value to them.

We have had repeat customers like Miahona, EtihadWE. They have a lot of good hope, good trust on us that whatever we say, we mean it and we have a lot of operating data as we are the third largest, which supports them a lot. So, this shows that we are here to partner with people, we are a serious company and we want to do good work in the market.

Team development, yes, when you're growing, you need people. It's never a one-man's show. This has been on constant that we have been looking to develop a team. It's a new market, new team. We're looking to add in more and more people so that we can penetrate better. Like I said, we've been focusing on EPC, EP in the past, O&M and industrial is something that we have to start focusing on.

So, we have put in our thoughts, we have put in a registration team, we are getting registered, we expect good amount of inquiries coming to us and you would see the next year we would be in a very good position to do more diversified portfolios. We obviously have a technical know-how; we have built a lot of technologically advanced projects.

Ras Tanura there was only one of us, only WABAG in the market that could build that plant. There was a treatment scheme with eight barrier system. Not easy, not easy to design. Water is not the easiest subject where you have to look at the smallest of the impurities, how to remove

them, exactly how to be competitive, what is the right scheme that you have to give, you should not be expensive.

And this was one of those projects where a lot of companies from Netherlands, from France tried to be competitive, tried to work on it. We went in post-bid, we did our presentations, we showed what we have built and immediately after the presentation it was told to us, we will give the job to you. We discussed everything else later. So, I think that's something that WABAG has built, they've built a brand and we are just exercising it. So that's it from my side.

I think I'll be showing you the video of our marquee projects Al-Haer. It's a 200 MLD STP with Nereda technology.

**Rajiv Mittal:**

As the last, I will take this pleasure to introduce our senior colleague, Mr. Bhupesh Chowdary Nagineni, who joined us at the senior management level as Deputy Managing Director. He joined us very recently, only a few weeks back, so we said it's good to come along and get introduced to all of you.

So, I'll request him to talk a few words about his early impressions, what he has spent time with us in the last few weeks.

**Bhupesh Chowdary:**

Thank you very much, Chairman. Good evening to all of you, ladies and gentlemen. It's wonderful to be amongst all of you. It gives me a privilege and also happy to be there going through all the discussions with the investor-friendly team in the first half and also the team here in the second half.

I am Bhupesh Chowdary. 30 years of industry experience. I come across with the large portfolio of managing some of the organizations which has been built from scratch to scaling it up. Few of them are like the last assignment with the Tata Projects Limited heading the utilities, power, utility of water and oil and gas and the metals and minerals. And also, the Larsen & Toubro, primarily again utilities.

And also, with long term with the Adani Group, started many of the verticals from scratch and built a billion-dollar company and listed it. Also spent in the overseas on an as an expat, both in Middle East and also in the Southeast Asia, again onto the utility projects, building and executing and operating them.

Three things that I thought I should share with you my first the opinion or the interaction that I had with the team at with the WABAG. A, about the people and the organization. I can only say that it is though it is a few weeks, as if I am feeling that it is more than 10 years old, I am in the company. The warmth and also the team that has been interacting with me has been very transparent, very professional, and also very attached to the company and to the business that they do it. And I am really impressed that it is to say that people are very dedicated in a way to take things forward what has been given and they ensure that it is done to the minute level. An organization which is very detailed, which is very important in the industry that what we are in

as a tech EPC and solution provider in the water segment. We deal with the people and the society.

The quality and the performance that comes out of this company is very important for us to be successful. That's where it is about 100-year-old company. The legacy that has been built, now it's in our hands to take the legacy to the next level and what it the future could be, you all can imagine that we would have to take it forward to the much best, better and better and to the bestest.

Now coming to the business positioning part of it, what I understood and what I see, WABAG is not new to me. Been in the industry, have used their projects in terms of some of the businesses that I have been involved in many of it as a clientele. What you give the job; they deliver it on time as well as on quality. And that's very important to look at it.

As a user has been very much appreciating in a way to see that most of the clients they give the repeat orders. That shows the legacy that carries as part of performance part of the organization. So, when you see the opportunities that has been talked about by my colleagues, the sales funnel is phenomenal, the opportunities are galore. And the company is also has positioned itself into a very different business models.

We address and also serve to the need of the requirements, whether it is municipality or whether it is industrial, both in terms of the wastewater treatments vis-à-vis at the desalination projects across. Now having positioned ourselves as a number one company in the water segment, which is a sunrise sector today, having so much of the presence in India, it is also has moved out of in India to see that we expand as an Indian company to a global company. And happy to be there with the company to take it to the next level.

If you look at it, the opportunities in Middle East and Southeast Asia and Africa are much more, but we need to go calculated way and also to build as an organization future-ready to take those opportunities and challenges to make it as a successful endeavour to make the organization to a great level. And that also lies with all of our hands.

And I am also started working in a way to say that, we have a strategy plan for the next five years that will be also as a blueprint will be drawn, and the short gaps, and also the capabilities that need to be built for the organization and the structure, that would also get in place, so that we have a robust mechanism as a part of organization not only to execute successfully, but also to scale and also to grow to the newer heights. That's all from my side. Thank you very much.

**Rajiv Mittal:**

I thank you for your patience listening. We'll now open the floor for Q&A and any suggestions you may have for us. So, please put up your hand, the mic will come to you, and please say your name and the organization and ask a question. Please ensure that you don't ask more than two questions and if you have more, we'll come back to you. Please start.

**Nitin Gandhi:**

Thanks, at the outset. My name is Nitin Gandhi, I am from Inoquest Advisors. I wish to understand vis-à-vis the business that's like India 20 billion to 25 billion vis-à-vis world 40

billion, 50 billion, almost two times. So, how does the revenue and the growth rate shaping up for next five-year vision which is here if you can share some thoughts on that? Because order book is also now started tilting that side. And second thing is, how do we benchmark ourselves vis-à-vis top two in both the markets, technologically as well as the execution capability-wise, and how do we plan to reach those execution levels and something which were there.

And second question is with reference to technology, like advanced equipment company, some tech is Xylem is extraordinarily on that side. So, I'm not saying we are planning to become equipment, but are we intending to do some capability building towards that which helps and aids to get more margin products as compared to the execution what we have been doing? Because they have been most of the time operating beyond 14% to 16% margin, all the times in in that equipment. Of course, it's a smaller opportunity, but does that technical capability building helps us or aids us to get some better mileage? Thank you. Those are the two questions.

**Skandaprasad S:**

Thank you for the question. I think I'll answer the second question first because it's a little more easier than the first one. First one is more long-term. See, we focus on what we are good at. What we are good at is producing solutions to treatment problems that the customers have. And today, we don't have to get into a product or any kind of those kind of development to improve our margins.

There is enough and more, as you saw, as the opportunity both in the core market, as well as in the new market, plus the O&M. So, we keep doing our R&D when it comes to process. So, we look at various issues like how do we crystallize the salts that come out when you when you do a tertiary treatment. How do you look at putting in ceramic membranes over polymer membranes to enhance the life of a project and reduce the total life cycle cost?

So, these are the kind of technologies that we invest our time, effort, and resources on. As I say, there are three things that a plant has to be optimum on. One, it can occupy the lowest footprint. Second, it can have lowest totex, i.e. in terms of capex plus opex. And it has to be run on the lowest power possible. This is how a plant can be efficient. And all and everything that is required to meet these objectives is how we invest on our technology.

Your first question was around the growth for the next three to five years. We've already given out an outlook three years back and as our Deputy Managing Director said, they are also working on a strategy which we will put out once that is ready through this year. But broadly the guardrails remain, that we will grow at a 15% to 20%, continue to grow profitably. Our EBITDA margins will remain 13% to 15%.

And key levers in terms of margin growth will be; one, with the kind of sizes you see, there will be economies of scale which will improve the margins. Number two, we have been saying that our international mix will go up as we move the years. Today we are at 50% and 50%, we're looking at Middle East, Africa, you've seen the sizes that are there, so this will provide an opportunity for better margins as well as better working capital profiles.

And third is, of course, our medium-long term objective of taking O&M to 20%. O&M is a high margin-accretive business, very close to the customer which can allow us to access new business as it comes, a lot of repeat business can come when we are more closer to the customer. And it, in a way is also competitive advantage. Only somebody who is strong and confident of the process can take long-term O&Ms. Otherwise they will remain a contractor.

You can build the plant, somebody else, like Rohan said, the Duqm plant which we built, we maintained it for a couple of years, then somebody else took it, they didn't run the plant well, the client came back to us and today we are maintaining for two years, we have brought the plant back to shape and it is producing at optimum capacity. So, we look at this as a competitive advantage where we can take these long-term calls, maintaining the plant with the least amount of power consumption and best quantity and quality.

So, this is the broad outlook in terms of growth. As we see, the business is growing. Once we have the new strategy, obviously new guardrails will be drawn out and I'm confident the new guardrails will only be better than what we have already guided for and achieving, and we will put that out to the larger market once that is ready.

**Rajiv Mittal:**

Regarding your question on how you are building capacities, I think today there are not many large water companies where we can take experienced people. We are the globally third largest and India's largest. The only way we can build capacities is to take freshers. We almost take 200 fresh engineers from the colleges every year. We have a both classroom training and on-the-job training for almost year and a half, train them and then put them on the job.

This we have been doing for many years, it has worked for us, and this is something we'll continue to do. It's like a institution. You keep on training, building capacities, deploy them on the projects and that's how we build kind of a loyalty to the company, they get trained to our technologies, they get trained to our system and they become very productive. So, that's the strategy we have followed.

**Rajiv Mittal:**

Okay next here the gentleman. Please give the mic to the gentleman in the first row, yes.

**Ramesh Bhojwani:**

Sir, Ramesh Bhojwani from Mehta & Vakil. You have made an all-encompassing presentation. You have touched virtually every aspect of your business, which has fructified and grown in scale and size. The two questions; one, you are putting up the biggest 400 MLD desalination plant in India, in Tamil Nadu, and second, a 200 million litres desalination plant in Saudi Arabia, which is acronym Sharaqat.

I personally believe desalination plants are the way forward because of climate change. It is for the first time in our city we are having humidity touching 84% and it was the first time the midnight temperature touched 30 degrees. So, climate change is now a reality and possibly there is a forecast of a lower-than-average rainfall. That means we have to get ready ourselves to meet the challenges of climate change.

The thought which came to me, this 400 MLD and 200 MLD plants desalination, once you put up and you operate and they are running, one, what is the cost of each and two, why not we standardize the models of these two plants instead of picking up a 60 MLD or a 80 MLD, I mean in as I can understand Reliance you have done a kind of a pilot plant of 30 MLD. Reliance is such a large conglomerate, it can itself give you 400 MLD plants for desalination. Would like your thoughts on the same?

**Rajiv Mittal:**

I think very right question and very apt observation you have and we fully agree with you. See, today because of this climate change and we talked about 7% lower freshwater which the earth is receiving, and over the years this is going to be more and more. So quickly we realized this fact and act on it. So as a company, last almost a decade, we have advocated a concept called "Manufactured Water."

So, somebody can ask, what do you mean by Manufactured Water? Nobody can manufacture water, only Almighty God manufactures water by having glaciers in the higher altitude and rainfall during this three-four months, which we call as a rainy season or monsoon. But these are all prone, as very rightly said by you, prone to the climate change.

So, we wanted something which is not prone to climate change, which is immune to climate change, so there are no droughts. It's drought-proof. So, we thought of taking something which is perennial. What is perennial? Like you talked about desalination as one example. The seawater, take an example of India, we have a 7,500 kilometers of coastline. We have a huge coastline.

Now if we use this seawater for desalination as you mentioned, the sea is never going to dry, even in the worst of the worst climate changes, this always will be a water. It's a perennial source. So, we said why not we use this water, which is not normally available as an available water or a drinking water or potable water, why don't we use our technologies to convert seawater into a potable water.

And that's what you are mentioning that we are building Asia's largest plants and some of the plants for Reliance or Middle East. This is the seawater which we are using and today the technology has made it very affordable. There's a myth, I'm sure in this room also some people must be thinking desalination water must be very expensive. That's not true, it's a myth.

Because today a desalination water, the bottles on your table, if you go and buy, one litre of bottle it cost about INR 20 from the market, and nobody today puts a hand under the tap and drinks, we all drink this water. So INR 20 we are willing to pay, and a desalination water is 8 paise a litre. I repeat, 8 paise a litre. It's affordable.

So why don't we build these capacities and make this lovely earth of our water secure rather than water scarce? We all can pay 8 to 10 paise a litre, happily we'll pay, rather than I'm sure in Mumbai also you have limited water, some of the times you are taking in your society or buildings tanker water.

You don't know what the tanker water is bringing and dumping in your sumps. The watchman starts goes up nobody analyses what water you get. It's an water-prone diseases all are coming into us. Whereas the desalination water will come in a pipeline, enclosed pipeline, absolutely safe and clean. If it is affordable, reliable, drought-proof, sustainable, what more we want? That's number one as a manufactured water.

What is number two? This is done, the community gets drinking water, safe drinking water, good. Second resources we found that as long as human being are there, we will always generate used water. This used water goes from our washrooms, from our baths, from our toilets, from our kitchens. All this water goes. Where does it go?

It goes and pollutes something. It goes into surface water, it goes into the sea, it goes into rivers, lakes, or open nalas. Why do we allow that? Collect all this, treat it, and recycle it. This is a second perennial source. As long as we all live, we will produce used water. It will never dry up. This is also drought-proof.

This water we are producing in many plants in the country and abroad which are perfectly potable. If you come to our plants, I will take an empty bottle, fill up and I'll drink and I'll show it to you. But you know the human mind, because if I tell you it is produced from used water, you'll say "yuck," I don't want to drink it. Okay, but we all go, we all go to Ganga-ji, Allahabad, Sangam, Haridwar.

My wife tells me go and get a bottle, we go obediently, fill up the water, bring it to our puja room. Every day we drink two drops. If we can drink raw sewage, why not treated? And that's the myth, okay. But doesn't matter, it will take some time to do the PR exercise to convince people that this is perfectly potable, you can do biological test, chemical test, everything is perfectly passing all the test, it will be better than this bottled water.

But in the meantime, we are using this water to give it to the commercial establishment, institutes, factories, and release the drinking water which they were getting. So, this water is used for industrial purpose, for irrigation, for agriculture, for commercial institution, and the water which is released goes back to the domestic users. So that's the second source we have, which is even cheaper than desal, maybe 5 paise to 6 paise a litre.

And that way we can make the industries self-sufficient in terms of water because we are reusing the water and they will never be short of water, they will never have to close down their factories, they will never have to reduce their production for lack of water. And this is how we are contributing to the economy.

So, we are very convinced our concept as we call "Manufactured Water." Why we call manufacture? This is not God-given; this is something we have manufactured. So, this is how we are helping the economy, helping the domestic users, helping the industry to sustain. So yes, number one, your question is right and this is how our contribution.

Number two, yes, very correct observation, these plants are very modular in nature. They can be replicated in certain capacities and that's what exactly we are building and doing so that when we get a project, we replicate the modules so that we don't have to do re-engineering, redesigning, and we can build the plants faster. That's the future of this manufacture water. Thank you very much.

**Ramesh Bhojwani:** Sir, with your permission, you have an order book of INR 17,300 crore. You have been very conservative in guiding us a 18% to 20%.

**Rajiv Mittal:** Coming from Chennai, we are a conservative lot, not like you in Mumbai.

**Ramesh Bhojwani:** That is very well said. What I see is this order book you will finish off in inside two years. You may refrain from commenting today as you said that you are in the process of rescheduling, reworking, and recycling the whole activity, making it much more fine-tuned and refined. So maybe next time when we meet, you will revise this guidance.

**Rajiv Mittal:** As they say in Arabic, "Inshallah", God bless you.

**Ramesh Bhojwani:** Thank you and all the best.

**Aakash Dalge:** Thank you, sir, for inviting us here. My name is Aakash Dalge and I represent ET Financial Consulting. I had very specific questions relating to contract life cycle, just to fill the missing gaps. Like I've read the annual report, seen your presentation, but I could not get those complete answers, so thought to directly ask you and of course it might help other investors as well.

So, on the order winning, specifically the international order, let's say if an order comes up in Middle East and top five competitors are bidding for that order, so what are we bidding on? Like are we bidding on the price or the technical parameters? I'm assuming both, but like who wins the contract? So how do we ensure like if a new contract comes and among those five people, we win the contract? So, do we bid on the price or like we have those meetings and specify our technical parameters, history, and then win those orders?

Then the second question was asset-light. Like we use the word quite often. Sir, like in a technology company, like a pure technology company, it's very easy to understand what asset-light means? But for our company, I'm assuming you're mentioning like your engineering, operation, design is in-house and the construction is given to other people. Does that mean asset-light and like typically for an O&M contract, what does asset-light mean? Like what do we retain and what do we go out and since this is just the last part of it?

**Rajiv Mittal:** Two questions only. You can get up to ask the next question.

**Aakash Dalge:** Yes sir.

**Rajiv Mittal:** I'll take the second one first and then tell Rohan to take answer the first one about the Middle East how the orders are awarded. I think asset-light is a simple word, especially you all finance

wizards. You take the balance sheet and see the gross block, net block, and you see what is the asset we have invested in the company for doing this business what we are doing.

Almost INR 10,000 crore valuation INR 4,000 crore top line INR 370 crore bottom line. What are the assets we have invested to achieve this performance? And that's what when we say asset-light, we are sure when you analyze us and compare with other equivalent companies, you will see our gross block, net block to be the lowest.

So basically, what we are saying, we don't invest in real assets, real estate, buildings, offices. We don't invest in equipment; we don't invest in manufacturing. We are a design technology company, which is all brain here. Our asset is in our human resources, okay. These are our first asset, our people. They are our asset.

And the second is our technology, over 125 patents, trademarks, this is the second asset. So that's what we mean when we say asset-low. Some have a manufacturing base, some have construction companies, huge infrastructure, they have as an equipment, construction machineries, and all that. We don't have all that. So, from the investment we do and the return on investment is always good because our assets employed for this business is very, very, very low okay good.

**Rohan Mittal:**

Yes, so on the first question, you know, Middle East, that's where why it was recognized as a growth engine for WABAG, because it recognizes not just coming L1, you know, anybody can come, drop the price, that's something that is not well-rewarded. Basically, Middle East, the major chunk are PPP projects.

There's a mix of power, opex, capex. So, we being a technology company, why we are doing so good? In the last six STPs, we've won three. What sets us apart? First is, obviously, we are the third largest operator, we have a lot of operating data. We're four decades in the country. This gives us a lot of benefit than the entrants. We have all the connections; we have all the data for the plants where few plants are operated by us.

Second is, obviously our focus on the technology and we have kept it captive. We don't sell our technology. That brings in a lot of competitiveness in our proposals, not just in capex but also in opex. We are the -- we are one of those few companies that do end-to-end, from building the plant to operating the plant is known by us.

And this is very rare in the market; there are only people who build plants or only people who operate plants. If you remember that I had told that the developers develop and operate the plant, so there are not many companies or EPC contractors who have operated the plants who understand what would what will help my developer to be competitive in opex.

So that's something that is a knowledge that inherently comes in us. Maybe the capex might be little higher than others, but on a whole, our power, our opex, and capex has to be minimum. This is really hard, we work a lot. We have to find each and every project is different. We have to find that thin line, you know, how much whether we should go for IE3, whether we should go for IE4, whether we should go IE5 motors.

We go to that details on motor efficiencies, 0.5% to 1%, and we add that value because one big advantage that we have that, you know, I can say that other companies don't have, we have 500 engineers sitting and engineering plants at house, understanding the issues why what decision was taken.

This I think is the biggest advantage that we as a company have. And obviously we are, you know, a very technology-driven company. So immediately, as soon as you take a project, we look at it, okay, you know, you change this orientation a little, it will help us. That is something that as a package when you do it, we have the biggest advantage.

So I think that keeping that in mind, that's what makes us competitive, makes us, you know, to be more than double of what margins they bid at and execute at. These are few advantages that WABAG has.

**Rajiv Mittal:**

So basically it's a life cycle cost. It's not your capex, it's not your opex, it is a life cycle cost which makes the developer competitive when they take concession contracts which are 20 years and 25 years. Only when they are competitive, we will win the jobs. First they have to win the job, so we ensure that they win the job so that after they win, we have an exclusivity with them, we win the job. Yes, young lady behind him please. Yes.

**Questioner:**

Hi, thank you for taking my question and hosting us, as you correctly said your assets are the humans and the patent and technologies that we have built over the past just wanted to understand what type of development uh technology development you are planning in the coming future and how do you see your R&D cost as percentage to sales moving, here onwards?

**Rajiv Mittal:**

Good. Good question for a technology company so that we again emphasize we are an engineering and technology company we are not just contractor. Okay? We do like our technologies and we use our technologies.

We use our technologies for our captive use we don't sell our technologies we don't license out our technologies it's only used for captive use our team of engineers are continuously working on technology development, technology improvement, technology acclimatization to the local condition. This is what we do we have a budget each year which we invest when we took this company from Siemens in 2007 almost Siemens had stopped any investment on R&D.

When we took over though we were much smaller compared to what giant Siemens was, but we quickly realized that our USP is technology and we must continuously upgrade and enhance our technology skills. So we are investing every year and that's how you see our patents and trademarks which are developing every year, though some of the old patents will expire but we quickly have new patents.

And this is the advantage we have which the new technologies are more efficient space saving less energy consumption less power consumption, which we just said it lowers our life cycle cost and that helps us to win our projects. That is the advantage the technologies are doing you wanted to know which kind of technologies we are using? Today it's all about clean technologies.

When we talk about desalination we talk about reuse most of the technologies are membrane-based technologies, and also like Rohan said earlier, recently we did a very large plant using ceramic membranes mostly these are polymeric membranes, ceramic membranes are made of ceramic.

One of the biggest cost in any of such plants is a membrane cost. Membranes have to be replaced after three to four years because they get clogged and the efficiencies go down but ceramic membranes have a huge advantage being ceramic you can put it in the furnace and fire it and all the junk which is settled on it or clogged it they burn out and then you bring the membrane back and load it they are fresh membranes.

So we also do a lot of work on ceramic membranes though they are expensive at the moment but very effective and I think future thus belong to ceramic membranes.

**Questioner:**

Hello, sir. Thanks for the presentation. Sir, my question is like, when you look at the last decade, basically the strategic pivot what we made earlier, that we will choose high margins, payment security business, asset-light business, and that is we are reaping the benefit of that as of today, in terms of higher growth, higher ROCE, better margins, better cash flow.

Now looking at the next decade now, we are sitting on a good decent order book and probably with another INR10,000 crore to INR12,000 crore of order book in the next two years, we are secure for the next four years and we will reach from 18% CAGR INR 4,000 crore to INR 8,000 crore.

What after that? Will size become a constraint from there that probably at INR 8,000 crore we will need another USD1.5 billion each year to maintain that 15% growth, 15% to 18%, 20%? Or will we have to make a strategic pivot now within the water segment or maybe some outside water segment that four years down the line, when we look at next five years, will we be able to maintain the 15% to 20% growth mark there? What are your thoughts there?

**Rajiv Mittal:**

Good. I think one thing I want to clarify as of now, there is no need, and we are not looking at in the near future of any diversification which is outside water. We call ourselves pure-play water company and in the near future we don't see that changing. I showed you the market. I showed you the opportunity for the next five to seven years. There's a tremendous scope.

There's hardly anything done in water globally, especially in the developing world or the emerging world. So we believe at least our grandchildren will don't have to worry. So we don't have to worry about the next five years. So we believe that there's enough and more opportunity available in the market for water companies to grow and maintain the growth targets whatever each company builds.

Plus, we have shown you some of the new areas like solar PV, data centres, hydrogen. These are the new areas. There was never a need for water in those areas. So that's developed. So these markets itself will grow in next few years. Plus, the standards what we are treating today. In

future, if you go to a developed world like Switzerland, Europe, Germany, the standard of treatment itself is very high.

Now we cannot afford that at the moment. So we are compromising for the standard of treatment. Maybe in 10 years, maybe in 20 years, we also will migrate to a better standard which will need more investment. Plus, the old assets will need replacement, renovation. So I believe water market is big enough and we don't have to move out of water to achieve our growth targets.

**Questioner:** The second question, just a small follow-up there. We are sitting on INR 1,000 crore cash now. Okay. And that number will keep moving higher as we execute the projects.

**Rajiv Mittal:** Absolutely.

**Questioner:** Now are we looking at a small maybe bolt-on acquisition for the technology globally where it can add or help our technology prowess?

**Rajiv Mittal:** Definitely. Short answer is yes.

**Questioner:** Thank you, sir.

**Rajiv Mittal:** This gentleman here. First. Yes.

**Questioner:** Good evening, everyone. Good evening. Sir, in quarter three, we missed your voice. If I'm not wrong, quarter three con call you were not there.

**Rajiv Mittal:** Slowly we have to take a break. We have capable leaders coming in. You will hear them more.

**Questioner:** Point noted. Sir, last year, 100 years of WABAG, we made almost INR 100 crore of profit, quarter four net profit. This year we are at INR 130 crore. So I will not be surprised next year when we will meet it will be INR 160 crore to INR 170 crore. As far as my two questions, I had already discussed with you before the presentation started for that margin.

In your presentation, operating profits are reflecting INR 177 crore. But when we go through CNBC news or whenever we go through Trendlyne where your operating profit is reflecting INR 157 crore. So this discussion always takes place in the last con call also, that INR 20 crore of forex income is missing?

**Rajiv Mittal:** Somebody put a hole in our pocket and we lost this INR 20 crore.

**Questioner:** This is the last time in last con call?

**Rajiv Mittal:** What can we do? We have explained this many times.

**Questioner:** No, no, I agreed. We almost discussed half an hour. I am not expecting this time to discuss more than five minutes, but my sincere request to Skandaprasad as well as for you. Whenever we do release this media release, in that media release, if we can mention quarter four is always the best quarter for the WABAG.

So in quarter four, when I see this media release, here all annual numbers are reflecting. My sincere request to you, if you can reflect quarter four number because this is the best quarter and I'll not be surprised, the revenue as of now always quarter four is in four digits. I will not be surprised quarter two revenue will start reflecting in four digits. Hope I'll not be wrong when the quarter two results will come.

**Rajiv Mittal:** You are never wrong and we expect more people to say such things so it comes true.

**Questioner:** So my sincere request, my first question related to request where if you can put that numbers in your media release where you can just mention your revenue, net profit, profit margin, it will be highlighted better. That is question number one.

And as far as question number two is concerned, there are two big orders are coming. One is of Kuwait and second one is of Hadda project if I'm not wrong. So when are we expecting both the orders, end of June, quarter two, any specific guidelines you want to give? And just one more question for this year, what is the value you are looking for order, whether it will be more than INR 7,000 crore, for entire year? I'm not saying for quarter one or quarter two.

So as far as orders are concerned when these two orders are coming, because we are already lowest bidder for both the projects. So these are my two questions. And my again sincere request to you, as far as that profit margin is concerned, you please mention it properly so that your investor feel happy and your stock price will also go up. So it is a win-win situation for everyone. Thank you very much.

**Rajiv Mittal:** Rest everything is information. Thank you for your suggestion. Our CFO is listening to you and I'm sure he will consider your request and give the requested data you have asked for. Regarding the two orders which you are mentioning, everybody knows we are a preferred bidder. It's in the public domain. They have announced their opened. They had a public opening and they have announced us as the lowest evaluated bidder.

I think we are on the verge of it. And being in Middle East, especially with the disturbed conditions there, plus Eid is coming. So all those things have some disturbances, but I don't think we have to wait too long. It's very imminent the one from Kuwait should happen I think next month. Within this quarter we can get that. And the Saudi one may go to the next quarter. That's my best guess I can tell you. Next. Yes. At the back.

**Aniket:** Good evening, sir. I'm Aniket from YES Securities.

**Rajiv Mittal:** A little louder and closer to your mouth.

**Aniket:** Can you hear me now?

**Rajiv Mittal:** Yes.

**Aniket:** Yes. So I wanted to check on the price variation clause. Whether we have those in our existing long-duration projects?

**Rajiv Mittal:** Very much. Projects which are long duration, generally two and a half, three years and above, have this. In international, generally we don't have those clauses. But in most of the large Indian orders, we have a price variation clause where we are covered by any fluctuation which happens. But still, it only covers 70% of our costs, not 100% of the cost.

**Aniket:** Understood. And my second question is on what's the status on municipal platform that we are considering and have we started bidding for the HAM projects considering we might be towards the later stage of the finalization?

**Rajiv Mittal:** Mr. Varadarajan will answer.

**S Varadarajan:** I think I have to wait for another quarter to bring that kind of information or news to you. We are on the verge of getting closer with whatever that we need to agree. And it will be a vision for creating a platform where we can bid for multiple municipal projects and we don't have to scout for new partners every time.

And we will be asset-light as Mr. Mittal has emphasized many times, we will continue to remain asset-light. Our vision is to, you know, contribute more towards whatever the infrastructure requirement that Government of India has been emphasizing. You heard Finance Minister talking about 100 bankable projects, do not waste any drop of water, 100% recycling, etcetera.

So taking the cue from, we are now working with lot of state authorities and I see lot of very good response that they are wanting us to do some piloting where the water is not only sent to industry what is tertiary treated, but is also used for non-potable water, used for non-potable purpose, okay?

So about 40%, 50%, 60% of each household is all non-potable purpose, right? So for that is something which we are looking at and this should be, you know, enhancing the kind of value for the project which we are working on. Our pilot initial studies are very positive. I was there last Sunday with the group of houses, you know, is a row of some 2,000 to 3,000 houses in one small pocket we just piloted we wanted to do. A lot of association members were there. And I mentioned about this that we wanted to take their feedback, they said, When are you going to do that? We are just waiting for that because they are suffering with handling the sewage themselves.

There is no infrastructure created by the municipality so far. Sewage lot of tanks are there, they struggle with that. They say about INR 6 crore to INR 8 crore per annum we are having revenue, but this handling the sewage is so very difficult for me. So how can you support us? So we said we'll come back to you with this. So the feedback is there's a law that all the gated communities need to have their own infrastructure, but we are now seeing how they are not being efficiently handled because technology is something which they want somebody to support.

We think by making a centralized kind of offering to them, we can contribute to whatever not only the sewage part which they are because a lot of authorities come, inspect and threaten them, this is what they are saying, so they feel not very good to handle that. We will take care of these

kind of requirements and this is something going forward, so you will expect to hear from us on platform.

We are working on both industrial also because industries are also moving towards, you know, taking out their non-core part of it and then trying to see a private operator like us can build as well as run the plant. We actually we were closer to get one in Chennai, but that the project is getting delayed, but I was I was happy to listen to lot of other industries, the tenders are going to come very soon. They are all big in sizes and they are all talking about investment as well as trying to take care of their needs, so the core activity will be something they focus, non-core water we will take care, something like this. So you have to wait for this to happen.

**Rajiv Mittal:** There are some investors who have joined us virtually also. There are some questions, let us take one or two questions from the investors who have joined virtually. Please.

**Moderator:** Sure. So there is one question which is asked: A few months ago, you had announced company partnered with Pani Energy to deploy an AI-driven operational intelligence platform. Every infrastructure company today talks about AI. However, very few quantify actual economic benefits. In WABAG's case, can management share any specific KPIs or early outcomes from the Pani partnership that demonstrate tangible operational and commercial benefits rather than just digital experimentation?

**Shailesh Kumar:** Rightly pointed out, we started with our AI journey with Pani when some time six-eight months back. And we have gone through the complete journey. It was not for the notion of it or for the heck of AI. We had a very specific KPI whomsoever such partners we talk, we talk on outcome result oriented.

So there is an expectation or what we are realizing: reduced chemical consumption, better utilization of water. There are very many other parameters on which result is positive, we are enthused. And now what we are talking with them is how do we expand to other plants? Not only on this, as a technology advanced organization or technology embracing organization, we are working on other AI prospects also where we can bring in operational efficiency. So definitely this intervention has worked well, we are seeing the advantage and we are planning to replicate to other installations beyond Coimbatore.

**Rajiv Mittal:** Can we have a last question from the audience? Yes please. This gentleman in the centre. Yes?

**Yash Shah:** First of all, congratulations on the good set of numbers. But I have two questions. First is on the financial part for Mr. Shailesh. The Indian business shows a slight slowing of the growth specifically on the profitability part. The profits have come down from INR 127 crore to INR 60 crore in the last quarter. So it shows that the profitability has slowed a bit.

And second question is on the biogas CNG thing. So where do we have set up the first plant? I guess we are in the process of setting up the first plant and we are in the partnership for 100 plants that we have projected. So what is the revenue that we see from this project?

**Shailesh Kumar:**

So second question I'll take first. This bio-CNG, yes, we have signed off and this is one of its kind and we have taken early advantage out of it. The volume what we are going to generate is going to serve per day around 3,500 homes can get their cooking gas or 400 vehicles. That's the magnitude we are talking.

In terms of investment, in terms of revenue, it may not be very lucrative, but this is only one project what we have started and we intend to multiply at many other locations. And with that, we will be aiming at volume. But we have taken this first project taken off after lot of pursuance, after lot of convincing, and we are well-placed to give the output what we had planned. In terms of profitability Skanda will answer.

**Skandaprasad S:**

I understand you're talking from the segment reporting, right? Yes. See, to look at it as only for the quarter will not be the right way to see because projects are at different phases, right? Today we have two or three large projects which are in construction phase. And you know construction is more or less a pass-through for us.

So at an overall project level, if you compare us over say six to eight quarters over which the projects have come out, the Indian projects are still performing well, number one. Number two, you know the Middle East cluster and the India cluster are kind of joined at the hip. There are common resources which are getting used. Not everything would be very clearly allocatable between the two. There is an engineering team which works for both, there's a procurement centre, procurement team which works for both.

So here this distribution of cost will also have to be seen. And that's why we say look at blended margins and look at it multi-annually instead of for a quarter because for a quarter could be very distorted because of the phase that the projects are in. And one heavy construction project could mean that the margins are lower, but the project at an overall level is still producing a sufficiently good margin.

**Yash Shah:**

On the revenue fund, it has been quite flat, like if we consider for the entire year, it has been INR 1,800 crore plus versus INR 1,860 Crore for this year. So it has been quite flat, not even a 5% growth year-on-year. So any concern on that or do we see that picking up soon as the projects advance?

**Skandaprasad S:**

See, you've already seen our order book on India is about 60%, right? 58% to be precise. So these phases and cycles of geographies will be there. And now these two projects have come which will start generating revenue, one is the Kodungaiyur project, other is the ring main project, plus we have BPCL, we have Reliance, we also announced the DJB project day before yesterday on Friday.

So all these projects will start again generating revenue. There is no concern. If you would remember even two years back closer to the elections or post-elections, we said the market has not picked up as much as we thought and the resources were even earlier redeployed to the Middle East and Africa where we were able to reap returns.

Now with the market opening up here both on industrial and municipal, you're already seeing us booking a lot of orders. There was BWSSB, BPCL, two Chennai orders, you have DJB. All these orders will again start bringing in revenues. And that's why I'm saying don't look at us from year-over-year because it's EPC, it's a lumpy business. I mean, next year I would be 35% higher.

You could ask the same question to me, will you do 35% the next year? My answer will be yes and no, because projects will have its phases and geographies. So look at us at a blended basis. This geographic diversification gives us a lot of comfort in terms of giving steady, sustainable, and profitable returns. And that is what we'll continue to focus on.

**Rajiv Mittal:**

Rest we'll take it over. There is also discussion over food, over tea, so now it will be over food. Thank you. And thank you, gentlemen, ladies. I think it's wonderful to have you all here. We thank you once again for your patience. Please, please join us for dinner and cocktails. We'll spend one hour together chatting and you're all welcome to join us. Please do that. Thank you very much.

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