

March 25, 2025

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 'Analyst/Institutional Investors Call'

Please find enclosed the Transcript of the 'Analyst/Institutional Investors Call' held on Friday, March 21, 2025.

This intimation is filed pursuant to Regulation 30(6) and 46 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The abovementioned transcript of the "Analyst/Institutional Investors Call" is also available on the Company's website at www.wabag.com.

Kindly take the same on record.

Thanking You,

For **VA TECH WABAG LIMITED**

Anup Kumar Samal
Company Secretary & Compliance Officer
Membership No: F4832



Encl.: As above

Sustainable solutions, for a better life



sustainable solutions. for a better life.

VA Tech Wabag Limited

Conference Call regarding “WABAG’s Non-Binding
Equity Partnership of USD 100 Million with an Investor
Consortium including Norfund, towards Capital Project
investments in Municipal Projects”

March 21, 2025



**MANAGEMENT: MR. RAJIV MITTAL – CHAIRMAN AND MANAGING
DIRECTOR – VA TECH WABAG LIMITED
MR. S. VARADARAJAN – WHOLE TIME DIRECTOR AND
CHIEF GROWTH OFFICER – VA TECH WABAG
LIMITED
MR. SKANDAPRASAD SEETHARAMAN – GROUP CHIEF
FINANCIAL OFFICER – VA TECH WABAG LIMITED**

Moderator: Good evening, everyone and welcome to the conference call of VA Tech Wabag Limited. On the call today we are pleased to have with us from the management team Mr. Rajiv Mittal, Chairman and Managing Director, Mr. S. Varadarajan, Whole Time Director and Chief Growth Officer and Mr. Skandaprasad Seetharaman, Group Chief Financial Officer.

Before we begin, please note that during this conference call the company may make certain forward-looking statements regarding business prospects and profitability. These statements are subject to the risk and uncertainties. The actual results may differ materially from those expressed or implied.

This conference call will be archived and the transcript will be made available on the company's website for future reference. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. We will start with the opening remarks from Mr. Varadarajan. Thank you for joining us today and with that I now hand over to you, sir.

S Varadarajan: Hi thank you and thank you all for joining us today. Good afternoon. It's a pleasure to connect with you and share an important strategic development that marks a significant milestone in Wabag's growth journey.

As you know, our "Wridhhi" strategy, one of our key focus areas has been to build long-term partnerships in finance, construction, and technology. Today we are pleased to announce that we have agreed with international investors to jointly invest up to 100 million USD over the next three to five years. This investment will support the equity requirements of Public-Private Partnership projects in the municipal water sector. We will provide you more information on this equity partnership as we proceed ahead on the definitive agreements.

At Wabag, we have always maintained our commitment to an 'Asset-Light' approach. In line with this, Wabag will participate as a minority investor in this equity platform while playing a pivotal role as the Technical Partner. Our core strength lies in our ability to deliver best-in-class EPC, which is Engineering, Procurement and Construction, and Operation & Maintenance Services, and this partnership enables us to do so while keeping our financial exposure minimum.

Looking at the industry trends, the water sector has been evolving from a contractor-driven model to a performance-based model and PPP type of models are at the forefront of this transformation. Wabag is proactively positioning itself to be future-ready by establishing a dedicated platform with a long-term vision. The potential in this space is substantial. We foresee a business opportunity of around a billion USD in PPP projects. Our capital projects team has been actively working on identifying and evaluating opportunities, and a few of these projects are ready for investment.

This partnership is strategically structured to combine financial strength with technical expertise. Our financial partners bring deep experience in water sector financing, which is critical for

scaling PPP projects efficiently. Meanwhile, Wabag, with over a century of leadership in the water sector, will provide the essential technical know-how and operational excellence. Together, this collaboration will serve as a powerful platform to address the growing demand for advanced water treatment technologies and infrastructure development, both in India and emerging markets.

For Wabag, this is more than just an investment. It is a step towards strengthening our leadership position, unlocking new revenue streams, and delivering sustainable value to all our stakeholders. We are excited about the road ahead and look forward to leveraging this platform to drive long-term profitable growth.

We appreciate your continued trust and support. Thank you so much. We will now open the floor for any questions you may have.

- Moderator:** The first question is from the line of Sani Vishe from Axis Securities. Please go ahead.
- Sani Vishe:** Hello. Yes. Thank you, sir, for taking my question and congratulations on the new partnership. So, I'm just trying to understand, I think you briefly mentioned that it will be focused on India and emerging markets, but could you just brief on what kind of geographies you will be focusing on through this partnership?
- S Varadarajan:** Predominantly, it will be India to start with. We will also be looking at Southeast Asia and maybe very selectively the African opportunities also we will look at.
- Sani Vishe:** Okay. And most of these in terms of the PPP partnerships?
- S Varadarajan:** Yes, yes. This is meant for PPP.
- Sani Vishe:** Okay. So, do we have any estimate on the kind of opportunity that gets expanded because of this partnership?
- S Varadarajan:** That's exactly what I was giving the initial introduction. We currently see at least a billion dollar opportunity for us.
- Sani Vishe:** Okay. What I understood was that's a global opportunity, so that's why I asked for this particular partnership?
- S Varadarajan:** For us, it's what I'm talking about.
- Sani Vishe:** Okay. I understand.
- S Varadarajan:** Global is actually much bigger. We are looking at selected geographies and we see India itself is moving towards this PPP. If you see, initially it started with the central government showing a lot of interest. It opened up with Namami Gange kind of flagship program. And you would find now slowly the other rivers are also taking up.
- You see Yamuna was in a big discussion in the recent past. You would know about it. Like in Chennai, Adyar River is a river which is carrying sewage water. Now, they're already, you know,

it's a PPP model. They've already announced. There's another river here, Cooum River. They're planning for it.

Like this, there are multiple river cleaning. There are major rivers of India which will also be, you know, cleaned up. Now, apart from this, the states are also coming up with various opportunities. Either it is hybrid annuity model or it is BOOT model. So, it is, the sector is opening up.

Sani Vishe: Great, sir. Great. Understood. Thank you.

Moderator: Thank you. Next question is from the line of Nidhi Shah from ICICI Securities. Please go ahead.

Nidhi Shah: Thank you so much for giving me the opportunity. So, in your opening comments, you mentioned that there are certain projects that you have identified that would be fixed for this partnership. Could you throw some light on what kind of projects these are, what states these are, other than obviously what you answered in the previous participant's question?

Skandaprasad S.: No. Nidhi, what Mr. Varadarajan mentioned during the opening comments was that there are opportunities which are available where we are either preferentially placed or PPP projects that we are currently doing. So, all of these are ready for investment. So, the opportunity is there today to activate this platform.

Nidhi Shah: What is the opportunity size?

Skandaprasad S.: So, the opportunity size is a billion dollars, as Mr. Varadarajan mentioned in his opening speech.

Nidhi Shah: Can you share the breakup of the project that you are already in and then the pipeline.

Skandaprasad S.: So, the billion dollars is a three to five-year outlook based on the platform that we are establishing, Nidhi.

Nidhi Shah: Okay. All right. And lastly, we would want to know from you. So, you mentioned that there are two other partners and you cannot disclose much about that. Are they similar climate funds that are investing? Would they be foreign funds, local funds?

Skandaprasad S.: They are large international investors and marquee names in the market. And we will be able to give these names out. We are not able to give it because of confidentiality, but when we do the definitive agreements, you will surely hear the names. And these are large international marquee investors.

Nidhi Shah: All right, and also, these projects that you will be getting into on BOOT, the HAM projects, what would be the margin profile for these? The ones that we normally do, which is the EP and the EPC ones, what would those margins be?

Skandaprasad S.: See, these projects are similar to the projects that we are doing on a DBO basis. You know, we mentioned that we want to remain asset light. So, we want to be in this market for the EPC and the O&M opportunity that is there by being a technical partner and a minority investor. So, for

us, this is like any other opportunity. We will evaluate this like any other DBO opportunity that we are doing. So, the margins will be consistent with that.

Nidhi Shah: Right. And just one last question on some bookkeeping thing. So, when we will go in for bidding, it's this platform that will be bidding? So, how much will be? Like, when, say, the bid is placed and things like that, will it primarily be driven by the funds in the minority shares, the bidding, or will Wabag be very heavily involved in the bidding process as well?

Skandaprasad S.: Obviously, the heart of this investment is the treatment plant. And being the technical partner, obviously, Wabag will have a very important role, while other partners will also obviously contribute in with their financial investment. Wabag will certainly have an important role because we are the technical partners.

Nidhi Shah: Right. Thank you so much. Thank you. Those were my questions.

Moderator: Thank you. Next question is from Anupam Goswami from SUD Life Insurance. Please, go ahead.

Anupam Goswami: Hi, sir. Sir, I have not got a clear view, but this partnership that we did, what sort of projects are we looking into this or is it like, are we capable now to bid for higher ticket orders? How will this basically incrementally benefit us?

Skandaprasad S.: So, Anupam, you know the market has both design-build-operate contracts as well as PPP contracts, HAM, BOT, BOOT. Now, when it comes to HAM, BOT, BOOT, there is a capital investment that is required either in form of equity and, of course, from the lenders. We being an asset-light organization, we would like to minimize our capital outgo because we want to keep our RoCE's high.

So we have entered into this partnership with other marquee investors who are willing to take majority investment in the platform. This platform will basically cater to the equity requirement of these PPP projects. And, of course, we will take money from the lenders and the project will be developed.

Wabag will remain the technical partner who is doing the EPC and the O&M. That's our interest here. We don't want the capital requirement as a restriction to our market. So we are making it as an enabler through this growth initiative while remaining asset-light. And, what's very important to know is that we are not going to raise any funds. This is minimal capital that we will invest through internal accruals.

Anupam Goswami: So, as I understand, we will now be able to bid for HAM projects where the capital intensive, is required. So, I just wanted to get a view that how much of an order, let's say, we can incrementally get out of this. Let's say if our order book is about 143 billion and let's say how much of a HAM project actually happens in the market industry?

Skandaprasad S.: Mr. Varadarajan, in his opening comments, mentioned that the opportunity size considering this platform is billion dollars over three to five years. And, you will see that as this grows, from an

order book perspective, sky is the limit, Anupam. There will be more and more projects coming in and we will be able to invest.

So, the crux of this is that we want to remain asset-light. We want marquee financial partners to come in and we have a long-term base to tap this market as well without investing capital.

Anupam Goswami: Okay. So, basically our ticket size and the scope of work will also increase?

Skandaprasad S.: Correct.

Anupam Goswami: Okay. That's great, sir. Thank you, sir. I'll join back in the queue.

Moderator: Thank you. Next question is from the line of Vinit Manek from Karma Capital Advisors. Please, go ahead.

Vinit Manek: Thank you for the opportunity and congratulations on the platform announcement that you have made. Sir, just one clarification from my side that I wanted to be, is that these hundred million dollars of the investment will help us to bid what size of the projects overall on a three to five year basis. So the way you mentioned that a billion dollar opportunity is there, but these hundred billion dollars of equity investment can help us support what size of bidding that we can do on the platform?

Skandaprasad S.: One billion dollars.

Vinit Manek: Okay. So, it's like one-tenth of the ratio. So, you need equity of one-tenth in these projects.

Skandaprasad S.: Correct. We will have a mix of HAM and BOOT, but broadly we see that one billion dollars worth of opportunities can be pursued with this platform in its current level.

Vinit Manek: Got it. Got it, sir. Thank you. Thank you for the clarification.

Moderator: Thank you. Next question is from the line of Ankita Shah from Elara Capital. Please, go ahead.

Ankita Shah: Yes. Firstly, congratulations on the deal. Sir, you mentioned that in the project that you will pursue, the PPP project, you will be a minority investor in that project. So, what will be your financial commitment out of the total investment that you are looking at?

Skandaprasad S.: 26% at the maximum.

Ankita Shah: At the out circle, 26%. Perfect. That is the number that I was... Thank you so much, sir. Thank you and all the best.

Moderator: Thank you. Next question is from the line of Mihir Dhani from Sharekhan. Please, go ahead.

Mihir Dhani: Hi. Thanks for the opportunity. Sir, my question was related to the order book in general. We were preferred bidder worth around INR2,000 to INR2,500 crores of orders. This was mentioned in the quarterly call. So, you got a INR 360 crores order recently. What is the status on the rest of the preferred bidder book?

- Skandaprasad S.:** We announced these preferentially placed positions in the last call. We are pursuing all of them. They are under evaluation. You've already seen the first set coming in. You'll see in the next few months, the rest of the orders will also reach its logical completion.
- Mihir Dhani:** Okay. And I also wanted to know how the quarter is progressing as such because we are almost at the quarter end and fourth quarter was supposed to be a good quarter for us. So, I wanted to know how it has progressed?
- Skandaprasad S.:** We are progressing as expected in line with our medium term outlook that we have already given. That remains and we are progressing well.
- Mihir Dhani:** Okay. All right. Thank you.
- Moderator:** Thank you. Next question is from the line of Samarth Khandelwal from ICICI Securities. Please, go ahead.
- Samarth Khandelwal:** Yes. Thank you for taking my questions and congratulations on this partnership. My first question would be, we would be bidding for projects which would be in the form of Namami Gange and how much time would we be taking to execute these projects? Like if I am to, a billion dollar opportunity over five years, approximately INR1,500 crores per year if I am saying and if I get a project worth that for a year's time, how much time would I be generating revenue and when I generate that revenue, who will I be sharing it with the lenders, with the equity partners? So, what would that transactional nature be? If you could highlight. Thank you.
- S Varadarajan:** See, whatever the execution of project, the cycle, the time, what you have seen in the past, it will remain same. For example, a desalination plant takes 24 to 36 months, assume. It will remain same depending upon the capacity, the complexities that the plant, the project comes. It is not going to change. Only thing about four to six months additional time will normally be given for financial closure and completion of all the conditions precedent. Nothing more than that. The tendering process, all other things will remain same. And we are talking about accounting. Yes, the EPC contractor here will be Wabag, O&M contractor will be Wabag. So, it is entirely in Wabag's books, whatever that we are executing.
- Skandaprasad S.:** So there is no sharing of revenue. This is an SPV which is holding the concession, but the entire EPC and O&M is done by Wabag. So, the revenues of EPC and O&M will be 100% to Wabag.
- Samarth Khandelwal:** Okay. And the previous participant asked a question about our equity investment. So, out of say 100 crores required, the equity would be 10 crores and of that 26% at most we would be doing. Am I correct?
- S Varadarajan:** See, let's say it is a hybrid annuity. 40% comes through a grant during the construction from the authority. Balance 60 will have to be funded by the concessioner. This will be the platform what we are talking about. So, out of that 60, 15 will come as equity, 45 will come as a debt. This could be a typical model. Ok, out of the 15 equity, we would be a minority investor is what we are explaining. If that clarifies.
- Samarth Khandelwal:** Yes. Thank you. Thank you so much.

- Moderator:** Thank you. Next question is from the line of Chirag from Neo Asset Management. Please go ahead.
- Chirag:** Yes. Hi. So just wanted to get some clarification regarding the Saudi Arabia order which was you know previously, the tender which was cancelled and then it went into re-tendering. So you said that you have a few days to evaluate before you decide to go for the re-tendering and re-bidding there. So, what's the status there?
- Skandaprasad S.:** We didn't say we will re-evaluate. We said we continue to remain positive about this market. We have already seen. We have booked a 200 million project in Saudi Arabia, probably a \$371 million project in Saudi Arabia already and we are following all of the other orders, pursuing the bids and we will be putting bid for this project as well, which is ongoing right now.
- Chirag:** So, I mean, it was specifically for that INR2,700 crores order which was previously cancelled. So, then you said it went into re-tendering?
- Skandaprasad S.:** Correct. So, the tender is already out. We are working on the tender. We will be placing the bid in the next month.
- Chirag:** Okay. And secondly, in the Jal Jeevan Mission, we are hearing a lot of news that a lot of payments are getting stuck from the government side. So, are you facing the similar issues? Working capital getting stuck up? How is the situation?
- Skandaprasad S.:** So I am sure you know us. We are a technology system integrator. We are not into civil works. Jal Jeevan Mission is not our focus. That is all piping and civil works. We don't have any projects in Jal Jeevan Mission. So, we don't face any of this.
- Chirag:** Okay. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question. With that, we conclude today's conference call. On behalf of VA Tech Wabag Limited, we thank you all for joining us and you may now disconnect your lines. Thank you.

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