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Passioneering takes us places

**VA TECH WABAG**

**Q2 & H1 FY15 Results Update**

**November 2014**

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# H1 FY 15 Highlights



# Consolidated Financial Performance Highlights – H1 FY 15

- Revenue of Rs. 9.04 Bn, growth of 21%
- PAT of Rs. 25.8 Mn , growth of 27%
- Order Intake of Rs. 7.9 Bn
- Total Order Book of Rs. 69.1 Bn including Framework Contracts of Rs. 16.7 Bn



Waste Water Treatment Plant - Kayseri, Turkey



# Water Reclamation Plant in Namibia

- WABAG completed another sophisticated Water Reclamation plant in Ujams, Windhoek, Namibia
- Plant treats Inlet effluent water from different Industries like
  - Brewery
  - Slaughterhouse
  - Beverage Company
  - Chocolate Factory
  - Tannery
- Most advance technology deployed to treat complex effluent water :
  - Advanced pre-treatment by the innovative MICROPUR® process - WABAG's fine sieving technology
  - MARAPUR® - WABAG's membrane bioreactor technology



BOOT Project  
Concession  
period for  
21 years

Water is treated to an extent that allows its reuse for  
Irrigation or as Process Water for Industry



*MICROPUR® fine sieving technology*



*MARAPUR® - Membrane Bioreactor*

# Quarterly Performance



# RESULTS OVERVIEW – Consolidated Profit and Loss

INR Millions	Q2 FY15	Q2FY 14	YoY %	H1 FY15	H1 FY14	YoY %	FY 14
Income	5,061	4,646	9.0%	9,042	7,501	20.5%	22,302
Other Operating Income	8	10	-16.2%	39	15	155.0%	85
Cost of Sales	3,843	3,498	9.9%	6,752	5,413	24.7%	16,979
Total Cost of Operations (TCO)	898	780	15.1%	1,795	1,529	17.4%	3,317
EBITDA	329	377	-12.9%	534	575	-7.2%	2,090
<b>EBITDA margin</b>	<b>6.5%</b>	<b>8.1%</b>		<b>5.9%</b>	<b>7.7%</b>		<b>9.4%</b>
Net (Gain) / Loss on Forex	-17	59	-129.5%	-60	130	-146.4%	205
Interest & Finance Charges (Net)	62	11	466.1%	120	26	356.7%	124
Depreciation & Amortization	55	38	44.5%	89	71	25.2%	150
Exceptional Items	0	0		0	0		51
Tax	87	99	-12.5%	135	147	-8.4%	526
Profit After Tax	142	170	-16.5%	251	201	25.0%	1,136
<b>PAT margin</b>	<b>2.8%</b>	<b>3.7%</b>		<b>2.8%</b>	<b>2.7%</b>		<b>5.1%</b>
Share of Profit from Associates / MI	14	4		7	2		-3
<b>Net PAT</b>	<b>156</b>	<b>174</b>	<b>-10.4%</b>	<b>258</b>	<b>203</b>	<b>27.3%</b>	<b>1,134</b>

- Revenue in H2 is always much more than the revenue in H1, and we are inline with our growth target with 20.5% growth in H1.
- Total Cost of Operations in the International Business is under control. Overheads in European operations decreased in Euro terms.
- Interest and Finance charges have increased mainly due to in Finance charges on non-fund lines to service new orders received in FY 14 and increase in borrowings to fund the working capital.



# RESULTS OVERVIEW – Standalone Profit and Loss

INR Millions	Q2 FY15	Q2FY 14	YoY %	H1 FY15	H1 FY14	YoY %	FY 14
Income	2,339	2,167	7.9%	3,590	3,324	8.0%	11,400
Other Operating Income	22	32	-29.2%	66	32	107.9%	123
Cost of Sales	1,766	1,612	9.6%	2,524	2,323	8.7%	8,686
Total Cost of Operations (TCO)	359	291	23.5%	781	581	34.4%	1,313
EBITDA	236	296	-20.5%	351	452	-22.3%	1,523
<b>EBITDA margin</b>	<b>10.1%</b>	<b>13.7%</b>		<b>9.8%</b>	<b>13.6%</b>		<b>13.4%</b>
Net (Gain) / Loss on Forex	7	31	-77.7%	-3	88	-102.8%	112
Interest & Finance Charges (Net)	20	-8		31	-16		7
Depreciation & Amortization	33	18	89.2%	9	35	-73.9%	81
Tax	59	85	-30.9%	105	115	-8.6%	437
Profit After Tax	116	170	-31.6%	208	231	-9.8%	886
<b>PAT margin</b>	<b>5.0%</b>	<b>7.9%</b>		<b>5.8%</b>	<b>6.9%</b>		<b>7.8%</b>

- Increase in Other expenses is mainly due to
  - Increase in Provision for receivable as per the policy of the Company
  - Additional R&D expenditure to Increase focus on R&D.
- Manpower in India also supports business development, engineering and project execution of overseas Projects.
- Interest and Finance charges have increased mainly due to
  - Increase in short-term borrowings towards working capital
  - For servicing new orders received in FY14

# RESULTS OVERVIEW – Balance Sheet

Rs. Millions	Sep'14	Mar '14	Sep '14	Mar '14
	Consolidated		Standalone	
Net Worth	8,608	8,410	6,305	6,028
Minority Interest	34	28	-	-
Non-Current Liabilities	2,603	2,276	1,561	1,625
Trade Payables	7,373	8,620	4,514	5,444
Other Current Liabilities	4,852	5,024	2,793	2,925
<b>Total Liabilities</b>	<b>23,470</b>	<b>24,357</b>	<b>15,172</b>	<b>16,023</b>
Fixed Assets	2,081	1,884	1,026	1,019
Other Non-Current Assets	1,391	2,121	1,456	2,269
Trade Receivables	13,581	13,875	8,983	9,237
Cash & Bank Balances	2,416	3,702	644	1,564
Other Current Assets	4,002	2,776	3,064	1,934
<b>Total Assets</b>	<b>23,470</b>	<b>24,357</b>	<b>15,172</b>	<b>16,023</b>

- Non Current Liabilities on Consol Balance Sheet increased only due to increase in Long Term Borrowing for BOOT Project in Namibia.
- Increase in Fixed Assets mainly due to increase of Intangible Assets under Development in our BOOT project.
- Consol Gross Cash in Balance Sheet is INR 3,406 Mn. Company extended payment support to subcontractors for expediting execution during the first half of the year.
- Other Non-current asset decreased mainly due to decrease in Customer Retention in India.
- Other Current assets increased partly due to increase in Tax receivable in India and because of increase in Inventories in India on projects pending achievement of milestones.

# RESULTS OVERVIEW – Working Capital Highlights

Rs. Millions	Sep '14	Mar'14
Current Investments	350	200
Inventories	849	350
Trade Receivables	13,581	13,875
Loans and Advances	1,442	995
Cash & Bank Balances	2,416	3,702
Other Current Assets	1,362	1,232
<b>Total Current Assets (A)</b>	<b>19,999</b>	<b>20,353</b>
Short-term borrowings	1,770	1,133
Trade Payables	7,373	8,620
Other Current Liabilities and Provisions	3,082	3,891
<b>Total Current Liabilities (B)</b>	<b>12,226</b>	<b>13,643</b>
Net Working Capital without Cash (NWC)	5,357	3,008
<b>Net Working Capital without Cash (No. of Days)</b>	<b>72</b>	<b>49</b>

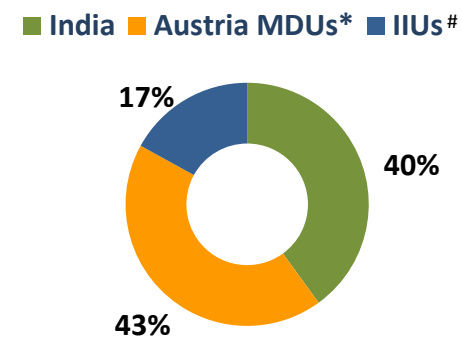
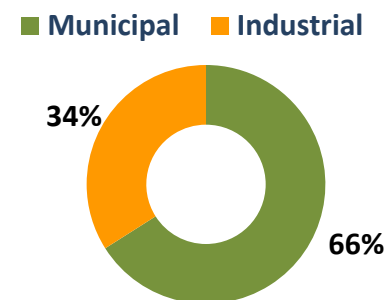
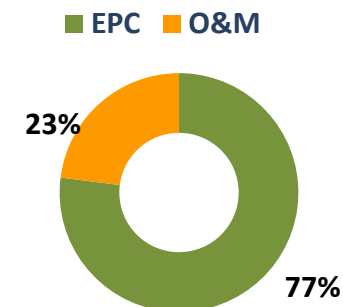
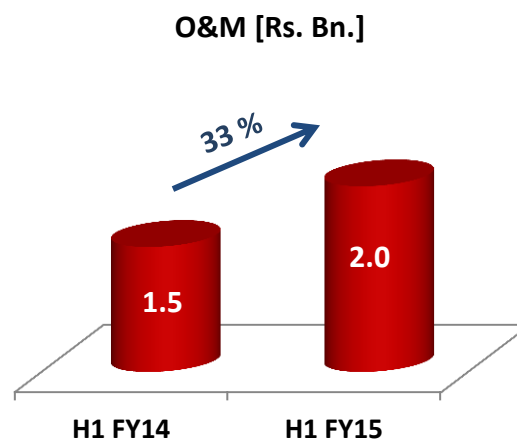
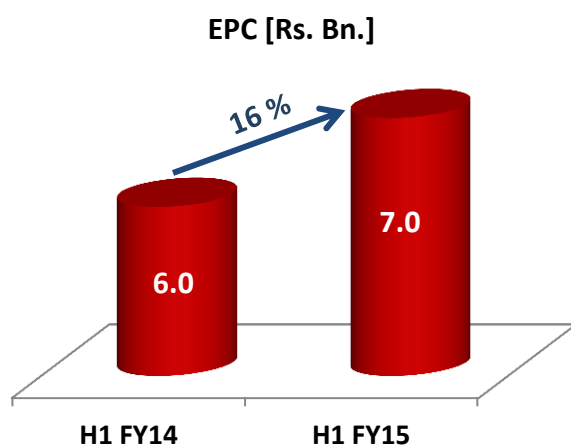
Cash Balance [Rs. Mn.]		
Rs. Millions	Sep '14	Mar'14
Cash & Bank Balance	2,416	3,702
Fixed Deposits *	990	974
Gross Cash Balance	3,406	4,676
Short-term Borrowings (WC)	1,770	1,134
Long-term Borrowings (BOOT)	781	449
<b>Net Cash</b>	<b>855</b>	<b>3,093</b>

\* Part of Other Non Current Assets

**Net Working Capital excluding Cash 72 Days**

# Revenue Breakup – H1 FY15

INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	1,638	1,020	706	226	3,590
Wabag Overseas	2,878	1,461	780	333	5,452
<b>Total</b>	<b>4,516</b>	<b>2,481</b>	<b>1,486</b>	<b>559</b>	<b>9,042</b>





# Key Projects contributing to Revenue – H1 FY 15

Project Details	Revenue recognized [INR Mn]
▪ Al Gubrah, Oman - 191 MLD SWRO	989
▪ DAWASA, Tanzania - 130 MLD WTP	373
▪ Nemmeli, Chennai - 100 MLD Desal, O&M	350
▪ Izmir, Turkey - 360 MLD WTP	333
▪ GECOL, Libya - Demi & ECL	312
▪ RIL Dahej, ETP	248
▪ Aiud & Ocna Mures, Romania - WWTP	245
▪ Ujams, Namibia	227
▪ Madinah Phase A - STP	225
▪ Melamchi, Nepal - 85 MLD WTP	220

# Order Book Analysis – H1 FY15



# Order Intake Breakup – H1 FY15

INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	23	117	525	69	734
Wabag Overseas	1,911	1,604	3,330	321	7,166
<b>Total</b>	<b>3,263</b>	<b>391</b>	<b>3,855</b>	<b>390</b>	<b>7,900</b>

## Key Orders Received

## Order Value

▪ Istanbul O&M

Eur 38 Mn

▪ Al Karj Phase 3, Saudi Arabia – WWTP

Eur 23 Mn

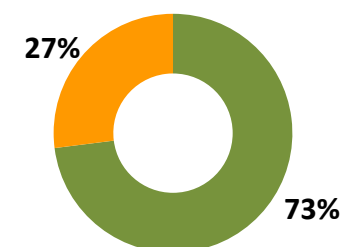
▪ Suplac, Romania – PWTP

Eur 17 Mn

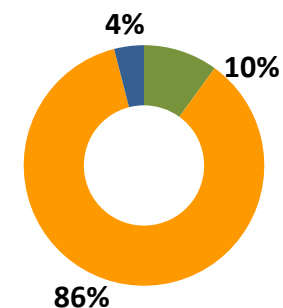
■ EPC ■ O&M



■ Municipal ■ Industrial

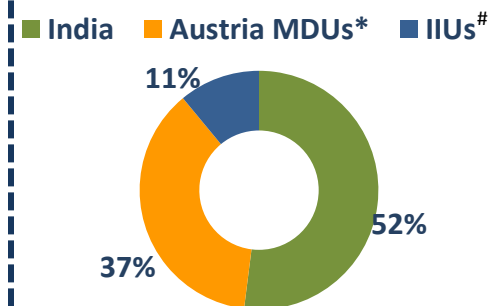
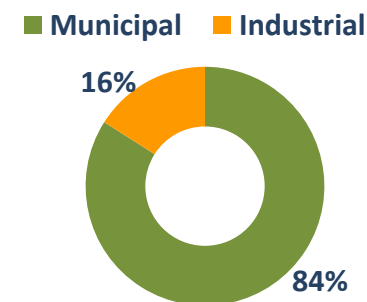
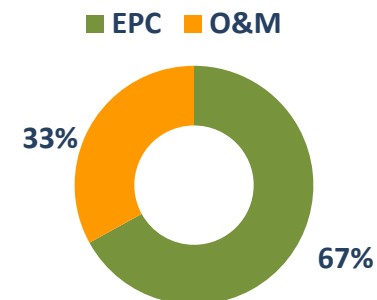
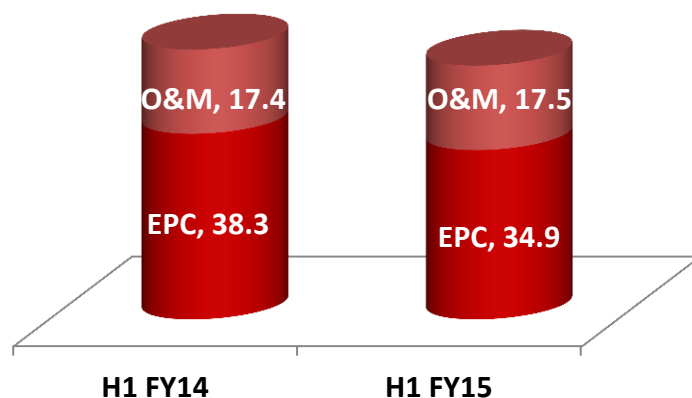


■ India ■ Austria MDUs\* ■ IIUs #



# Order Book Composition – H1 FY15

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	9,663	4,632	12,505	581	27,381
Wabag Overseas	18,146	2,497	3,797	578	25,017
Framework Contracts					16,666
<b>Total</b>	<b>27,809</b>	<b>7,129</b>	<b>16,302</b>	<b>1,159</b>	<b>69,064</b>





# Order Book of Rs. 52.4 Bn & Framework Contracts of Rs. 16.7 Bn

## Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
▪ Nemmeli, Chennai - 100 MLD Desalination O&M	4,508
▪ Ulhasnagar, Mumbai - 195 MLD WTP with O&M	3,300
▪ Istanbul, Turkey O&M	2,828
▪ OWSSB, Orissa - 100 MLD STP	2,766
▪ DAWASA, Tanzania – 130 MLD WTP	2,004
▪ BWSSB, Belandur - 90 MLD WWTP	1,881
▪ Melamchi, Nepal – 85 MLD WTP	1,355
▪ Ilugin, Phillipines–100 MLD STP	1,236
▪ Al Ghubrah, Oman - 191MLD SWRO	1,098
▪ Izmir, Turkey – 360 MLD WTP	869

## Key Framework Contracts \*

- Libya STP of Rs. 7,026 mn
- Tobruk, Libya Desal of Rs. 1,358 mn

### Framework Contracts won in H1

- Istanbul, Turkey O&M of Rs. 779 mn
- Ferganska Refinery, Uzbekistan ETP of Rs. 858 mn
- Polghawella, Sri Lanka, WTP of Rs. 6,646 mn

*\* Contracts wherein Advance Monies/LC awaited, hence not taken in Order Book*

## Guidance for FY 15

**Revenue : INR 26.0 Bn – INR 27.0 Bn & Order Intake : INR 32.0 Bn – INR 34.0 Bn**



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