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VA TECH WABAG

Q4 & FY15 Results Update

May 2015

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Key Highlights FY15

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Order Book Analysis

Key Highlights Q4 & FY15



Key Financial Highlights

- **Consolidated Sales of Rs. 24.28 Bn** for FY 15, **growth of 9%**
- **Consolidated PAT of Rs. 1101 Mn** for FY 15
- **Order Intake of Rs. 29.77 Bn** in FY 15
- **Total Order Book of Rs. 68.4 Bn** including Framework contracts of Rs. 14 Bn



**Effluent Treatment Plant
PetroBrazi Refinery, Romania**

Quarterly Performance



RESULTS OVERVIEW – Consolidated Profit and Loss

INR Millions	Q4 FY15	Q4 FY14	YoY %	FY15	FY14	YoY %
Income	9,057	8,966	1.0%	24,284	22,302	8.9%
Other Operating Income	20	10	97.1%	68	85	-19.9%
Cost of Sales	6,744	7,044	-4.3%	18,328	16,979	7.9%
Total Cost of Operations (TCO)	1,179	860	37.1%	3,912	3,317	18.0%
EBITDA	1,155	1,073.0	7.7%	2,112	2,090	1.0%
EBITDA margin	12.8%	12.0%		8.7%	9.4%	
Net (Gain) / Loss on Forex	40	42	-4.7%	17	205	-91.7%
Interest & Finance Charges (Net)	134	51	161.3%	315	124	154.7%
Depreciation & Amortization	-34	35	-197.7%	109	150	-27.2%
Exceptional Items	0	51	-100.0%	0	51	-100.0%
Tax	302	277	9.1%	566	526	7.7%
Profit After Tax	713	719	-0.8%	1105	1136	-2.8%
PAT margin	7.9%	8.0%		4.5%	5.1%	
Share of Profit from Associates / MI	-8	-5		-4	-3	
Net PAT	705.0	713.9	-1.2%	1101	1134	-2.9%

- Delay in finalization of Target Projects and Significant depreciation of Euro led to lower revenue growth
- Increase in TCO is mainly due to increase in site employee cost for Istanbul O&M Project in Turkey.
- Provision of about INR 250 Mn in FY 15 towards LD in Oman Desal project as conservative and prudent accounting practice led to lower EBITDA margin
- Increase in Interest Charges largely on account of borrowing cost of Ujams BOOT Project in Namibia and Istanbul Project in Turkey. Increase in Finance Charges largely due to increase in performance guarantees issued to new projects.
- Reduction in depreciation due to change in methodology of depreciation from WDV to SLM apart from globally aligning life of assets in line with Companies Act 2013.

RESULTS OVERVIEW – Standalone Profit and Loss

INR Millions	Q4 FY15	Q4FY 14	YoY %	FY15	FY14	YoY %
Income	5,678	5,185	9.5%	12,201	11,400	7.0%
Other Operating Income	40	70	-42.4%	132	123	8.0%
Cost of Sales	4,523	4,068	11.2%	9,423	8,686	8.5%
Total Cost of Operations (TCO)	364	390	-6.7%	1,375	1,313	4.7%
EBITDA	831	797	4.3%	1,537	1,523	0.9%
EBITDA margin	14.6%	15.4%		12.6%	13.4%	
Net (Gain) / Loss on Forex	13	21	-40.4%	44	112	-60.7%
Interest & Finance Charges (Net)	4	18	-75.1%	58	7	694.5%
Depreciation & Amortization	33	27	22.7%	75	81	-7.9%
Tax	262	241	8.9%	456	437	4.4%
Profit After Tax	519	491	5.8%	904	886	2.1%
PAT margin	9.1%	9.5%		7.4%	7.8%	

- Delay in new order intake led to lower Book and Bill revenue
- Decrease in TCO in Q4 due to reduction in Variable Pay of employees
- Increase in Finance charges mainly due to increase in working capital and increase in performance guarantees of new contracts

RESULTS OVERVIEW – Balance Sheet

Rs. Millions	Mar'15	Mar '14	Mar'15	Mar '14
	Consolidated		Standalone	
Net Worth	9,026	8,410	6,862	6,028
Minority Interest	49	28	-	-
Non-Current Liabilities	3,117	2,276	2,216	1,625
Trade Payables	8,653	8,620	5,575	5,444
Other Current Liabilities	4,832	5,024	2,412	2,925
Total Liabilities	25,678	24,357	17,065	16,023
Fixed Assets	1,919	1,884	990	1,019
Other Non-Current Assets	2,619	2,121	2,639	2,269
Trade Receivables	14,807	13,875	9,833	9,237
Cash & Bank Balances	3,112	3,702	1,283	1,564
Other Current Assets	3,222	2,776	2,321	1,934
Total Assets	25,678	24,357	17,065	16,023

- Non Current Liabilities on Consol Balance Sheet increased on account of Long Term Borrowing for BOOT project in Namibia.
- Non-current Liabilities is higher in the Standalone Financials on account of Increase in Customer Advances which gets compensated by reduction in Customer Advances in Other Current Liabilities
- Increase in other Non-Current Assets is due to investments in new geographies and increase in customer retention as per contract.
- Consol Gross Cash in Balance Sheet is INR 422 Crores. Standalone short term borrowings reduced to Rs. 63 Crores in FY 15 from 89 Crores in PY

RESULTS OVERVIEW – Working Capital Highlights

Rs. Millions	Mar'15	Mar '14
Current Investments	350	200
Inventories	470	350
Trade Receivables	14,807	13,875
Loans and Advances	1,063	995
Cash & Bank Balances	3,112	3,702
Other Current Assets	1,339	1,232
Total Current Assets (A)	21,140	20,353
Short-term borrowings	1,113	1,133
Trade Payables	8,653	8,620
Other Current Liabilities and Provisions	3,719	3,891
Total Current Liabilities (B)	13,486	13,643
Net Working Capital without Cash (NWC)	4,543	3,008
Net Working Capital without Cash (No. of Days)	68	49

Cash Balance [Rs. Mn.]

	Mar'15	Mar '14
Cash & Bank Balance	3,112	3,702
Fixed Deposits & Current Investments	1,104	974
Gross Cash Balance	4,216	4,676
Borrowings (Short Term)	1,113	1,133
Net Cash	3,103	3,543

Long Term Borrowings for investment in Ujams BOOT Project is not included above

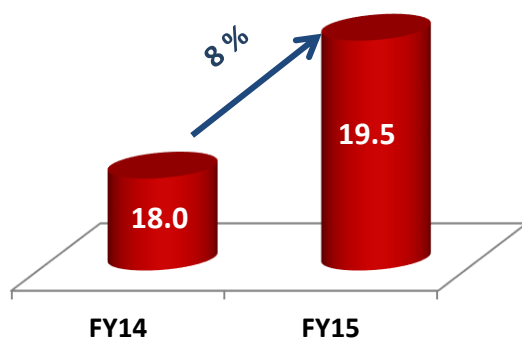
Decrease in Net Cash because of Euro depreciation is about Rs. 30 Crores

Net Working Capital excluding Cash 68 Days

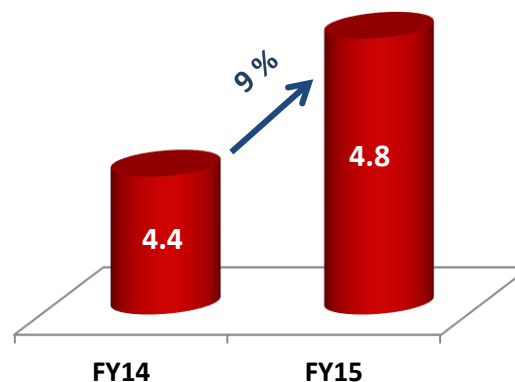
Revenue Breakup –FY15

INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	6,796	3,370	1,592	444	12,202
Wabag Overseas	6,165	3,164	2,014	739	12,082
Total	12,961	6,534	3,606	1,183	24,284

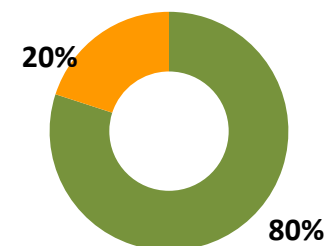
EPC [Rs. Bn.]



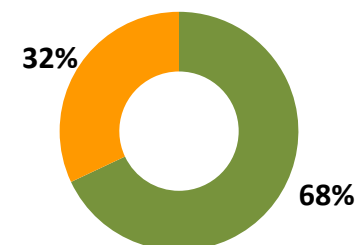
O&M [Rs. Bn.]



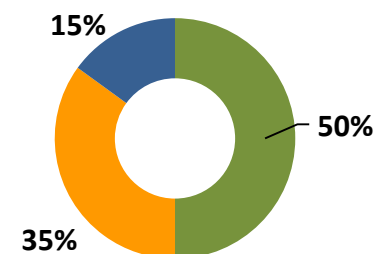
EPC O&M



Municipal Industrial



India Austria MDUs* IIUs #



Key Projects contributing to Revenue –FY 15

Project Details	Revenue recognized [INR Mn]
Al Ghubrah 191MLD SWRO , Oman	1,929
DAWASA, Tanzania - 130 MLD WTP	1,490
BWSSB, Belandur - 90 MLD WTP	1,348
APGENCO – BOP with Water Management	1,246
Izmir, Turkey - 360 MLD WTP	834
Nemmeli 100 MLD Desal – O&M, Chennai	734
RIL,ETP, C2 COMPLEX	546
GECOL, Libya - Demi & ECL	448
Beni Messous WWTP, Algeria	375
Aiud & Ocna Mures WWTP, Romania	365

Order Book Analysis –FY15

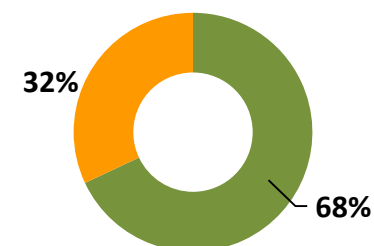


Order Intake Breakup – FY15

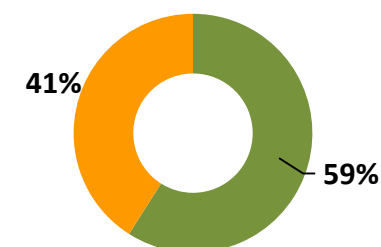
INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	6,235	8,029	2,013	184	16,461
Wabag Overseas	3,353	2,574	5,994	1,385	13,306
Total	9,588	10,603	8,007	1,570	29,767

Key Orders Received in Q4	Order Value
APGENCO, BOP with Water Management	Rs. 7,318 Mn
Habra, West Bengal – 147 MLD WTP	Rs. 1,980 Mn
Vienna, Austria – Sludge Treatment for WWTP	Euro 13.28 Mn
Ferganska Refinery, Uzbekistan – ETP	Euro 12.34 Mn
Istanbul O&M Europe Package 2	Euro 10.30 Mn

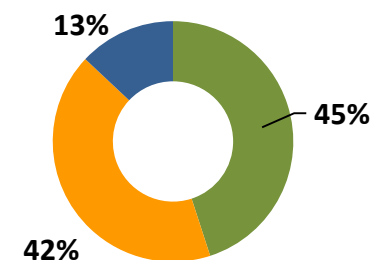
■ EPC ■ O&M



■ Municipal ■ Industrial



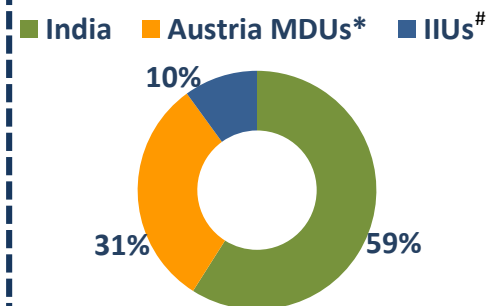
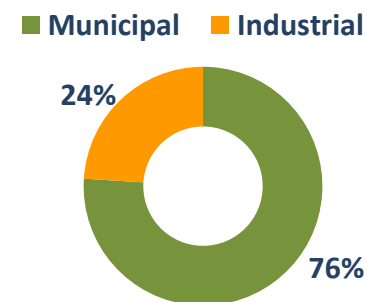
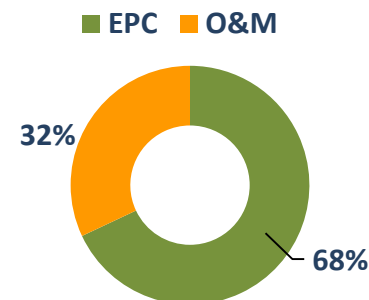
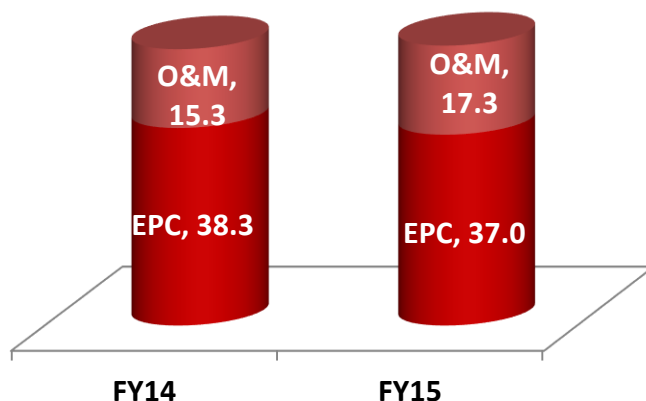
■ India ■ Austria MDUs* ■ IIUs #



Current Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	12,072	10,197	12,676	345	35,290
Wabag Overseas	13,669	1,104	3,184	1,139	19,096
Framework Contracts					14,056
Total	25,741	11,301	15,860	1,484	68,442

with Euro Depreciation



Order Book of Rs. 54.4 Bn & Framework Contracts of Rs. 14.1 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
• APGENCO – BOP with Water Management	6,072
• Nemmeli, Chennai - 100 MLD Desalination O&M	4,502
• Ulhasnagar, Mumbai - 195 MLD WTP with O&M	3,300
• Istanbul, Turkey O&M	2,801
• OWSSB, Orissa - 100 MLD STP	2,296
• UP Jal Nigam - 140 MLD STP with O&M	2,190
• Habra, West Bengal – 147 MLD WTP	1,980
• Valenzuela, Philippines - 60 MLD STP	1,434
• Illugin, Phillipines - 100 MLD STP	1,111
• Suplac, Romania – PWTP	1,092
• BWSSB, Belandur - 90 MLD WWTP	920

Key Framework Contracts *

- Libya STP of Rs. 6,114 mn
- Tobruk, Libya Desal of Rs. 1,181 mn

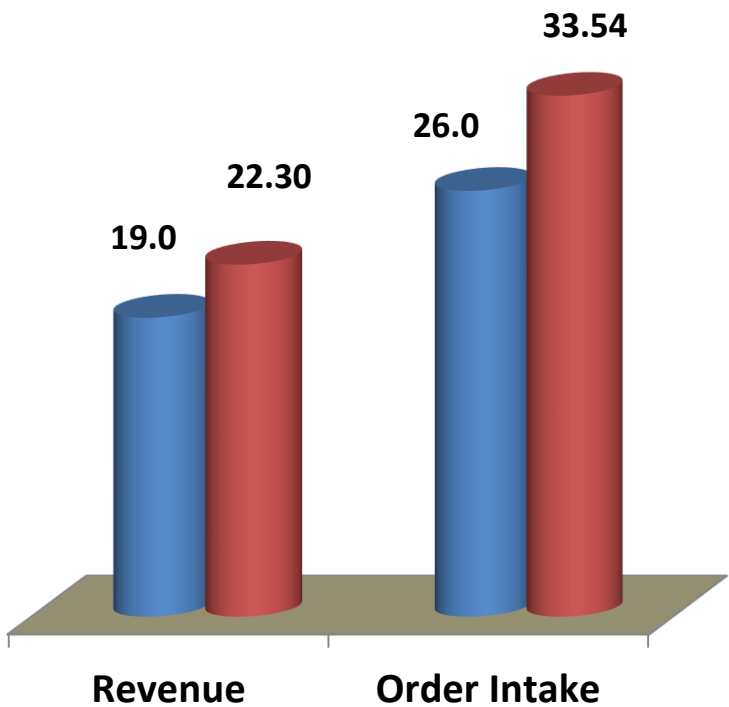
Framework Contracts won in FY15

- Polghawella, Sri Lanka, WTP of Rs. 6,761

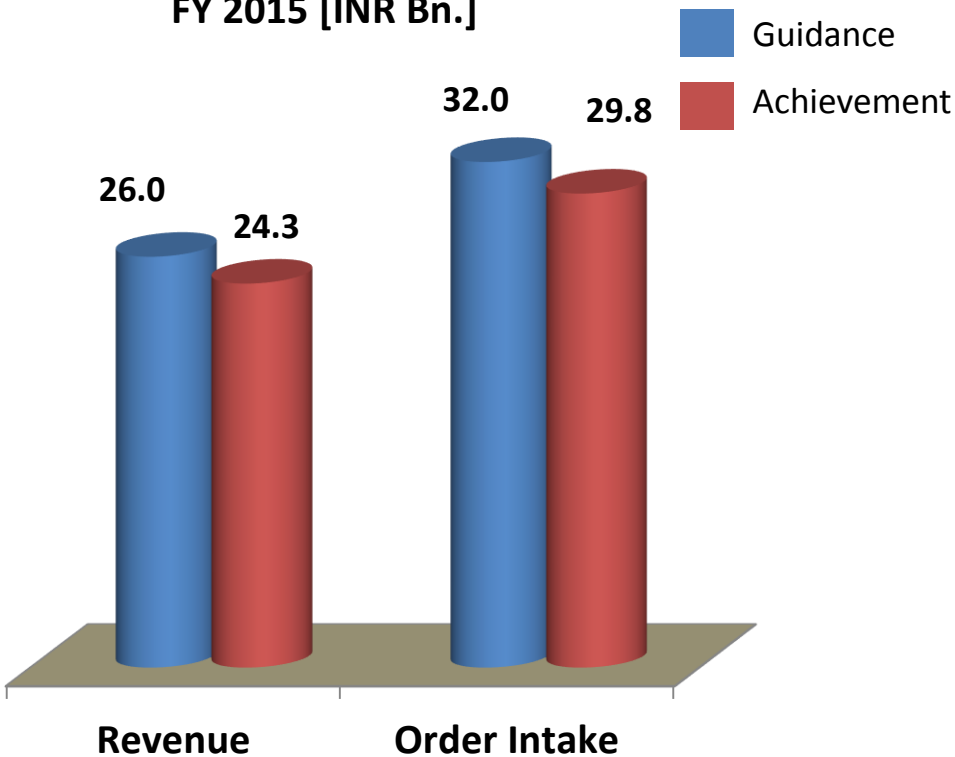
** Contracts wherein Advance Monies/LC awaited, hence not taken in Order Book*

Annual Guidance

FY 2014 [INR Bn.]



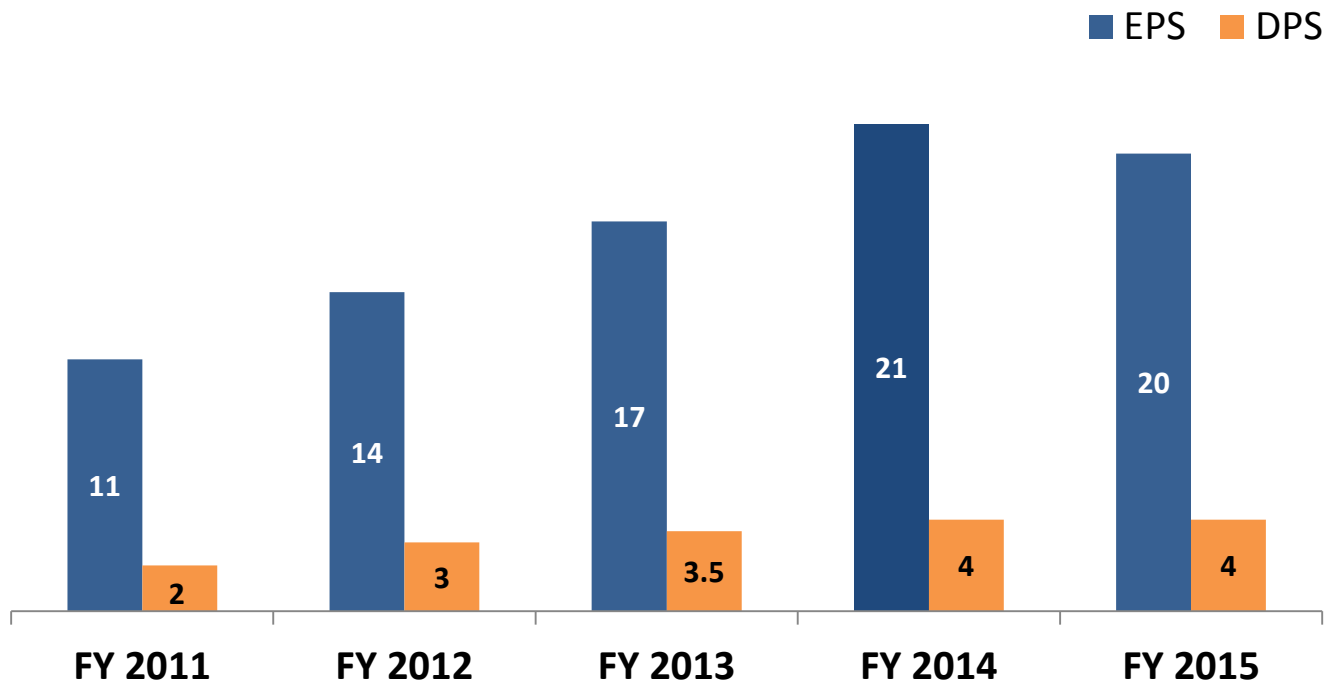
FY 2015 [INR Bn.]



Guidance for FY 16

Revenue : INR 28.0 – 30.0 Bn. & Order Intake : INR 35.0 – 37.0 Bn.

Dividend Pay-out



Earning Per Share (Rs.)	11	14	17	21	20
Dividend Per Share (Rs.)	2	3	3.5	4	4
Dividend Payout	19 %	21 %	21 %	19%	20%

Adjusted for Share Split in FY 2011
Adjusted for Bonus Issue of 1:1 in FY 2015



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