WABAG

VA TECH WABAG

Q3 & 9M FY16 Results Update

February 2016

CUSTOMER FOCUS

TECHNOLOGY & INNOVATION

TOTAL WATER SOLUTIONS

GLOBAL FOOTPRINT

ENGINEERING EXCELLENCE

ECOLOGICAL BALANCE

SOLUTIONS THAT
SUSTAIN LIFE

Safe Harbour

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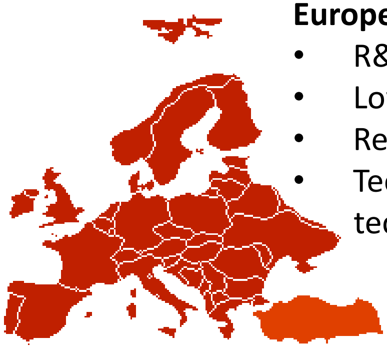
Key Highlights Q3 & 9M FY 16

Key High's – 9M FY 16

- Standalone Sales of Rs. 9.5 bn, growth of 46 %
- Standalone EBITDA of Rs. 1.06 bn, growth of 51%
- Standalone Net Profit of Rs. 612 mn, growth of 59%
- Consolidated Sales of Rs. 16.9 bn, growth of 11%
- Consolidated EBITDA of Rs. 1.02 bn, growth of 7%
- Total Order Book of Rs. 79.5 bn

PetroBrazi Refinery ETP, Romania

Strategic Geographical Spread



Europe
- R&D Centre – over 100 patents
- Low working capital
- References for global business
- Technology Centre for advanced technologies in waste water

Middle East
- >50% of Desal market in Saudi
- High potential for advanced technologies
- Competitiveness through Indian support

Africa
- Largely untapped-emerging economy
- Competitiveness through Indian support

India
- High Margins
- Low cost of Operations
- Technology Centre for Industrial business and desalination

LATAM
- Huge market for Desal, Industrial and BOOT Projects

South East Asia
- Largely untapped - Emerging economy
- Competitiveness through Indian support

Q3 & 9M Performance

RESULTS OVERVIEW – Standalone Profit and Loss

INR Millions	Q3 FY16	Q3 FY 15	YoY %	9M FY16	9M FY 15	YoY %	FY15
Income	3,713	2,934	26.6%	9,497	6,524	45.6%	12,201
Other Operating Income	25	26	-7.2%	82.4	92	-10.7%	132
Cost of Sales	2,888	2,376	21.5%	7,272	4,900	48.4%	9,423
Total Cost of Operations (TCO)	459	230	99.8%	1,246	1,011	23.2%	1,375
EBITDA	391	355	10.3%	1,061	705	50.5%	1,537
EBITDA margin	**10.5%**	**12.1%**		**11.2%**	**10.8%**		**12.6%**
Net (Gain) / Loss on Forex	8	34	-77.2%	-48	31	-252.4%	44
Interest & Finance Charges (Net)	46	22	107.1%	92	54	71.6%	58
Depreciation & Amortization	29	33	-9.5%	91	42	119.3%	75
Tax	101	89	12.9%	314	194	61.7%	456
Profit After Tax	207	177	17.0%	612	385	59.1%	904
PAT margin	**5.6%**	**6.0%**		**6.4%**	**5.9%**		**7.4%**

- Good opening backlog and increased focus on project execution has resulted in growth of Sales.
- Cost of Sales vary quarter on quarter depending on the mix of projects
- Increase in Other Expenses is mainly due to Increase in Provisions for receivable as per Company policy
- Increase in Finance Charges due to reduction of interest income and increase in Interest expense

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RESULTS OVERVIEW – Consolidated Profit and Loss

INR Millions	Q3 FY16	Q3 FY 15	YoY %	9M FY16	9M FY 15	YoY %	FY15
Income	6,289	6,185	1.7%	16,860	15,227	10.7%	24,284
Other Operating Income	19	9.1	108.8%	38	47.6	-21.0%	68
Cost of Sales	4,898	5,116	-4.3%	13,291	12,036	10.4%	19,098
Total Cost of Operations (TCO)	948	655	44.8%	2,582	2,281	13.2%	3,142
EBITDA	462	423	9.1%	1,024	957	7.1%	2,112
EBITDA margin	**7.3%**	**6.8%**		**6.1%**	**6.3%**		**8.7%**
Net (Gain) / Loss on Forex	14	37	-62.4%	-9	-23	-61.1%	17
Interest & Finance Charges (Net)	101	61	66.5%	282	181	55.6%	315
Depreciation & Amortization	50	55	-8.4%	154	143	7.8%	109
Tax	115	130	-11.7%	361	264	36.5%	566
Profit After Tax	182	141	29.0%	237	392	-39.5%	1105
PAT margin	**2.9%**	**2.3%**		**1.4%**	**2.6%**		**4.5%**
Share of Profits from Associates / MI	7	-3		-0.3	5		-4
Net PAT	189	138	36.7%	237	396	-40.3%	1101

- Euro depreciation of 11%, delay in Nepal project due to local conditions, Oman project nearing completion, many overseas projects being under engg. completion contributed to drop in overseas revenue in Q3.
- Increase in Contribution Margin in Overseas is due to O&M projects in Bahrain & Singapore and due to provisioning in prior period in the Oman Project.
- Increase in Net Finance cost is majorly due to Interest charges on account of Ujams BOOT Project in Namibia (was IDC during prior period)

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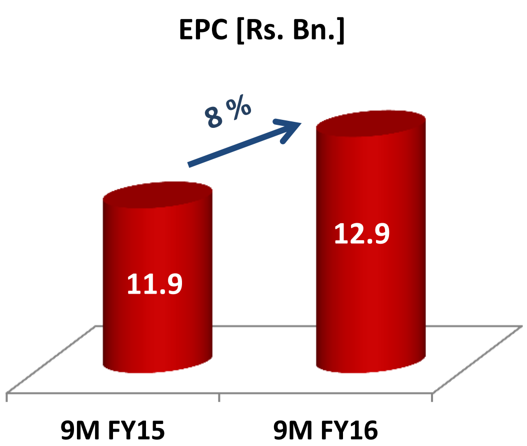
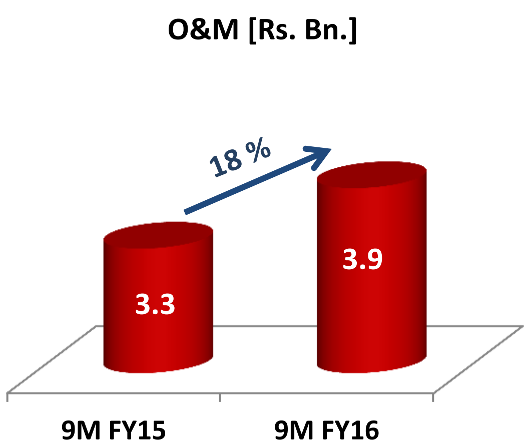
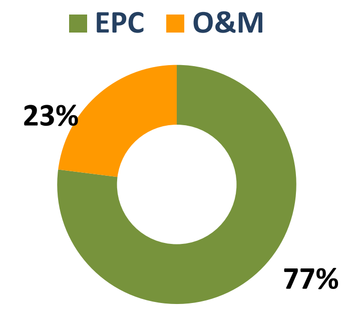
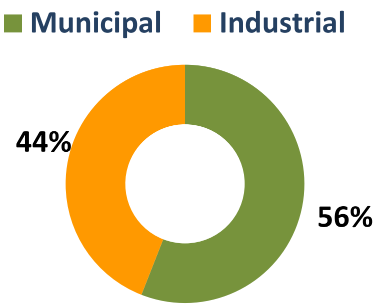
Revenue Breakup – 9M FY16

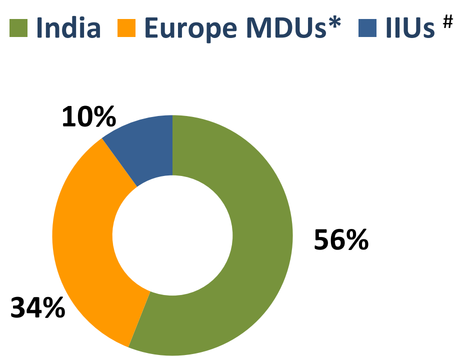
INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	3,264	4,803	1,184	246	9,497
Wabag Overseas	3,091	1,765	1,918	589	7,363
Total	**6,355**	**6,568**	**3,102**	**835**	**16,860**











* Multi Domestic Units
\# India International Units

Key Projects contributing to Revenue – 9M FY 16

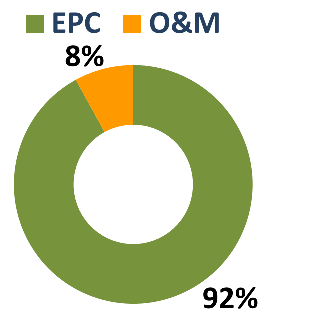
Project Details	Revenue recognized [INR Mn]
▪ APGENCO – BOP with Water management	2,808
▪ Petronas RAPID, Malaysia – ETP	1,167
▪ Istanbul, Turkey O&M	1,040
▪ PHED Habra, West Bengal – 147 MLD WTP	637
▪ Nemmeli 100 MLD Desal – O&M, Chennai	582
▪ DAWASA, Tanzania – 130 MLD WTP	572
▪ Dangote, Nigeria – 60 MLD RWTP	463
▪ Izmir, Turkey – 360 MLD WTP	457
▪ Madinaty, Egypt – WWTP	357
▪ Suplac, Romania – ETP	342

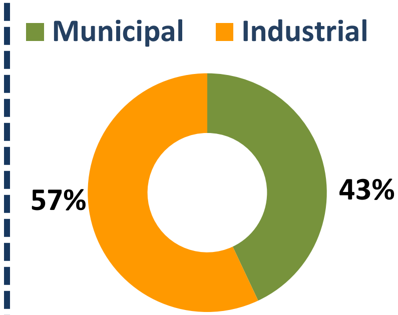
Order Book Analysis – 9M FY16

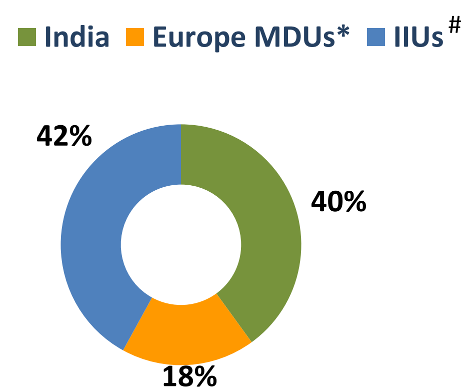
Order Intake Breakup – 9M FY16

INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	2,786	8,994	1,521	251	13,552
Wabag Overseas	9,460	9,764	544	242	20,010
Total	**12,246**	**18,758**	**2,065**	**493**	**33,562**

Key Order Received in Q3	Order Value
▪ Sanliurfa WWTP, Turkey	Eur 20.75 Mn



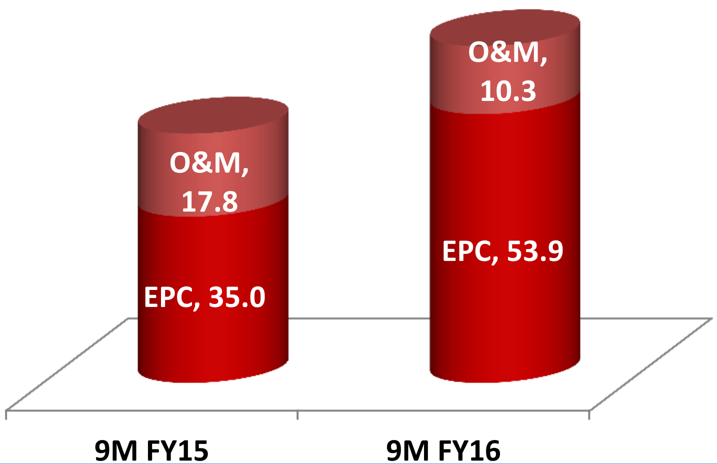


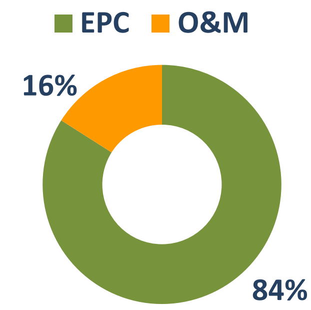


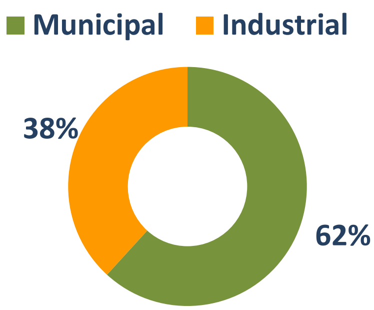
* Multi Domestic Units
\# India International Units

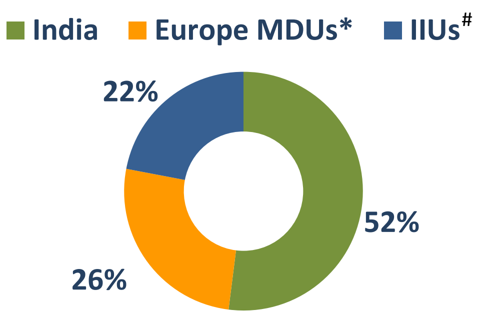
Order Book Composition – 9M FY16

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	10,498	14,371	7,838	350	33,057
Wabag Overseas	19,809	9,173	1,281	784	31,047
Framework Contracts					15,420
Total	**30,307**	**23,544**	**9,119**	**1,134**	**79,524**









* Multi Domestic Units
\# India International Units

Order Book of Rs. 64.1 Bn & Framework Contracts of Rs. 15.4 Bn

Key Contracts in Order book

Project Details	Amt [Rs. Mn]
Petronas RAPID ETP, Malaysia	13,416
AMAS, Bahrain – 40 MLD STP	5,733
APGENCO – BOP with Water Management	4,467
UP Jal Nigam - 140 MLD STP with O&M	2,131
OWSSB, Orissa – 100 MLD STP with O&M	2,094
Dangote, Nigeria – 60 MLD RWTP	1,854
Istanbul, Turkey O&M	1,713
Valenzuela, Philippines - 60 MLD STP	1,574
Sanliurfa WWTP, Turkey	1,501
Habra, West Bengal – 147 MLD WTP	1,334

Key Framework Contracts *

- Libya STP of Rs. 6,114 mn
- Tobruk, Libya Desal of Rs. 1,181 mn
- Polghawella, Sri Lanka, WTP of Rs. 6,761 mn

Framework Contracts won in FY 16

- Al Saad, Saudi Arabia BWRO of Rs. 1,364 mn

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

Guidance for FY 16

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

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