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Passioneering takes us places

VA TECH WABAG

Q3 & 9M FY15 Results Update

February 2015

Safe Harbour

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Key Highlights Q3 & 9M FY15

Key Highlights

- Board recommends **Bonus issue** of **1:1**, 1 Bonus share for every outstanding equity share
- **Consolidated Sales** of **Rs. 15.2 Bn** for 9M FY 15, growth of 14%
- **Standalone EBITDA** of **Rs. 355 Mn** for Q3 FY 15, growth of 29%
- **Order Intake** of **Rs. 23.1 Bn** in 9M FY 15 including Framework Contract of Rs. 8.6 Bn
- **Total Order Book** of **Rs. 69.7 Bn** including Framework Contracts of Rs. 16.9 Bn

IOCL Panipat (India) Refinery
Industrial Waste Water Reuse

One of the world's largest plants with 90% recovery

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Quarterly Performance

RESULTS OVERVIEW – Consolidated Profit and Loss

INR Millions	Q3 FY15	Q3 FY14	YoY %	9M FY15	9M FY14	YoY %	FY 14
Income	6,185	5,834	6.0%	15,227	13,335	14.2%	22,302
Other Operating Income	9	59	-84.6%	48	74	-35.9%	85
Cost of Sales	4,832	4,523	6.8%	11,584	9,935	16.6%	16,979
Total Cost of Operations (TCO)	939	927	1.3%	2,734	2,457	11.2%	3,317
EBITDA	423	443	-4.6%	957	1,017	-5.9%	2,090
EBITDA margin	**6.8%**	**7.6%**		**6.3%**	**7.6%**		**9.4%**
Net (Gain) / Loss on Forex	37	34	10.4%	-23	163	-114.4%	205
Interest & Finance Charges (Net)	61	46	32.1%	181	72	150.1%	124
Depreciation & Amortization	55	45	21.4%	143	116	23.6%	150
Exceptional Items							51
Tax	130	102	27.0%	264	249	6.1%	526
Profit After Tax	141	217	-35.0%	392	417	-6.1%	1136
PAT margin	**2.3%**	**3.7%**		**2.6%**	**3.1%**		**5.1%**
Share of Profit from Associates / MI	-3	1		5	2		-3
Net PAT	138.3	217	-36.3%	396	420	-5.6%	1134

- There has been an adverse impact of about 8% because of the impact of Euro exchange rate for the quarter.
- Increase in TCO is mainly due to increase in Employee expenses in Turkey due to site employee cost for Istanbul O&M Project.
- Provision of about Rs. 100 million towards LD in Oman Desalination Project as prudent and conservative accounting practice led to lower EBITDA margin.
- Tax as % on PBT is higher because of impact of consolidation and tax is paid by entities on their profits in their geography as per their regulation.

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RESULTS OVERVIEW – Standalone Profit and Loss

INR Millions	Q3 FY15	Q3FY 14	YoY %	9M FY15	9M FY14	YoY %	FY 14
Income	2,934	2,891	1.5%	6,524	6,215	5.0%	11,400
Other Operating Income	26	21	23.9%	92	53	74.2%	123
Cost of Sales	2,376	2,296	3.5%	4,900	4,618	6.1%	8,686
Total Cost of Operations (TCO)	230	342	-32.9%	1,011	924	9.5%	1,313
EBITDA	355	274	29.3%	705	726	-2.8%	1,523
EBITDA margin	**12.1%**	**9.5%**		**10.8%**	**11.7%**		**13.4%**
Net (Gain) / Loss on Forex	34	3	1151.9%	31	91	-65.5%	112
Interest & Finance Charges (Net)	22	6	273.3%	54	-10	-615.4%	7
Depreciation & Amortization	33	20	66.7%	42	54	-23.1%	81
Tax	89	82	9.4%	194	196	-1.1%	437
Profit After Tax	177	165	7.4%	385	395	-2.6%	886
PAT margin	**6.0%**	**5.7%**		**5.9%**	**6.9%**		**7.8%**

- Decrease in TCO is mainly due to reversal of provision for receivable on account of good collections during the quarter.
- Higher Forex loss is mainly due to reinstatement of JPY receivable from Nepal Project.
- Increase in Finance charges mainly due to increase in borrowings for working capital and Finance charges for new contracts.
- Increase in depreciation for the quarter compared to PY mainly due to capitalization of Corporate office in India in March 2014.

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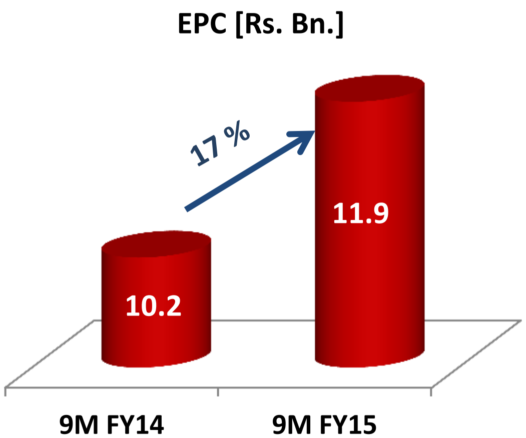
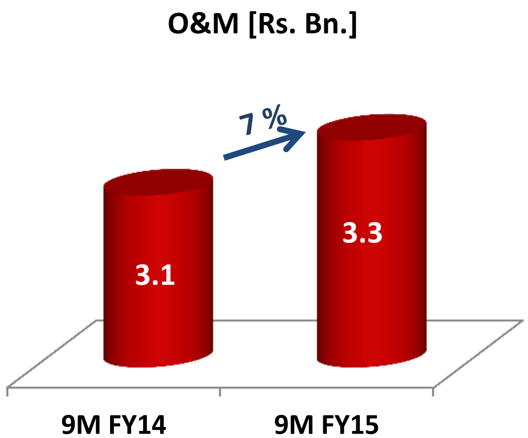
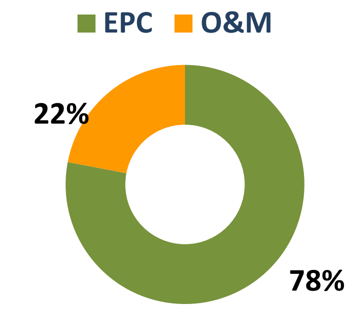
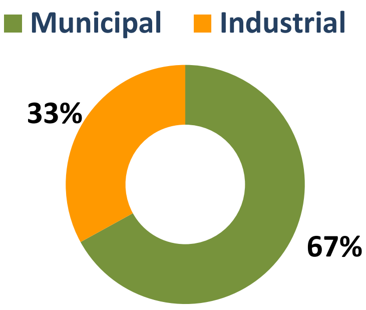
Revenue Breakup – 9M FY15

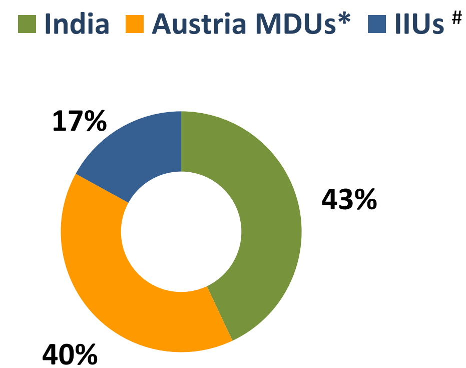
INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	3,498	1,607	1,084	335	6,524
Wabag Overseas	4,266	2,554	1,373	510	8,703
Total	**7,764**	**4,161**	**2,457**	**845**	**15,227**











* Multi Domestic Units
\# India International Units

Key Projects contributing to Revenue – 9M FY 15

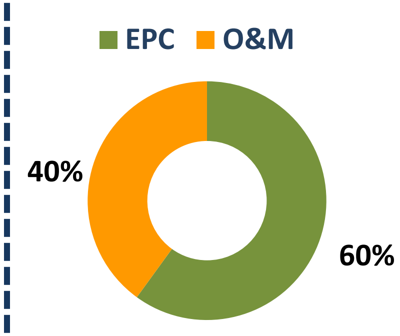
Project Details	Revenue recognized [INR Mn]
Al Ghubrah 191MLD SWRO , Oman	1,646
DAWASA, Tanzania - 130 MLD WTP	770
BWSSB, Belandur - 90 MLD STP	596
Izmir, Turkey - 360 MLD WTP	523
Nemmeli 100 MLD Desal – O&M, Chennai	518
RIL-ETP, C2 COMPLEX	416
GECOL, Libya - Demi & ECL	386
Aiud & Ocna Mures WWTP, Romania	346
Melamchi, 85 MLD WTP, Nepal	304
Beni Messous WWTP, Algeria	321

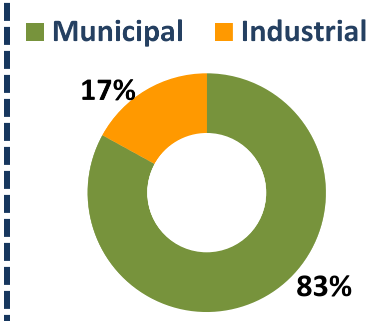
Order Book Analysis – 9M FY15

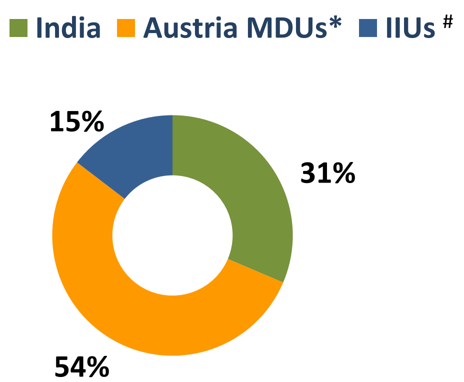
Order Intake Breakup – 9M FY15

INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	2,783	437	1,448	78	4,746
Wabag Overseas	3,846	1,626	4,001	331	9,804
Total	**6,629**	**2,063**	**5,449**	**409**	**14,550**

Key Order Received in Q3	Order Value
UP Jal Nigam - 140 MLD STP	Rs. 2,190 Mn
Valenzuela, Philippines - 60 MLD STP	Rs. 1,849 Mn
Muntilupa, Philippines – 20 MLD STP	Rs. 981 Mn



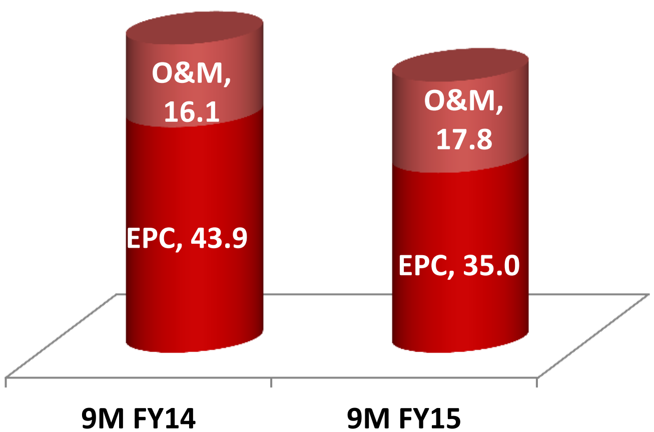


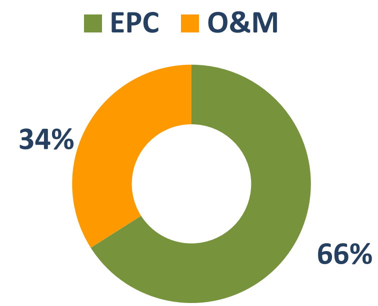


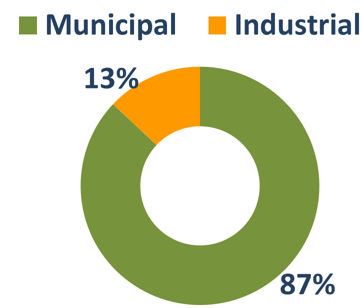
* Multi Domestic Units
\# India International Units

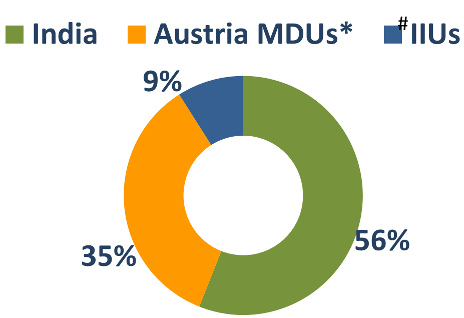
Current Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	11,819	4,365	13,050	481	29,715
Wabag Overseas	17,433	1,428	3,875	410	23,147
Framework Contracts					**16,866**
Total	**29,252**	**5,793**	**16,925**	**891**	**69,728**









* Multi Domestic Units
\# India International Units

Order Book of Rs. 52.8 Bn & Framework Contracts of Rs. 16.9 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
Nemmeli, Chennai - 100 MLD Desalination O&M	4,341
Ulhasnagar, Mumbai - 195 MLD WTP with O&M	3,300
OWSSB, Orissa - 100 MLD STP	2,680
Istanbul, Turkey O&M	2,662
UP Jal Nigam - 140 MLD STP	2,190
Valenzuela, Philippines - 60 MLD STP	1,849
DAWASA, Tanzania - 130 MLD WTP	1,724
BWSSB, Belandur - 90 MLD STP	1,672
Suplac, Romania - PWTP	1,283
Illugin, Phillipines - 100 MLD STP	1,264

Key Framework Contracts *

- Libya STP of Rs. 6,964 mn
- Tobruk, Libya Desal of Rs. 1,346 mn

Framework Contracts won in FY15

- Istanbul O&M of Rs. 830 mn
- Ferganska Refinery, ETP of Rs. 850 mn
- Polghawella, Sri Lanka, WTP of Rs. 6,875 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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