



VA TECH WABAG

Q4 FY14 Results Update

May 2014

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Key Highlights & Analysis

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Financial Highlights

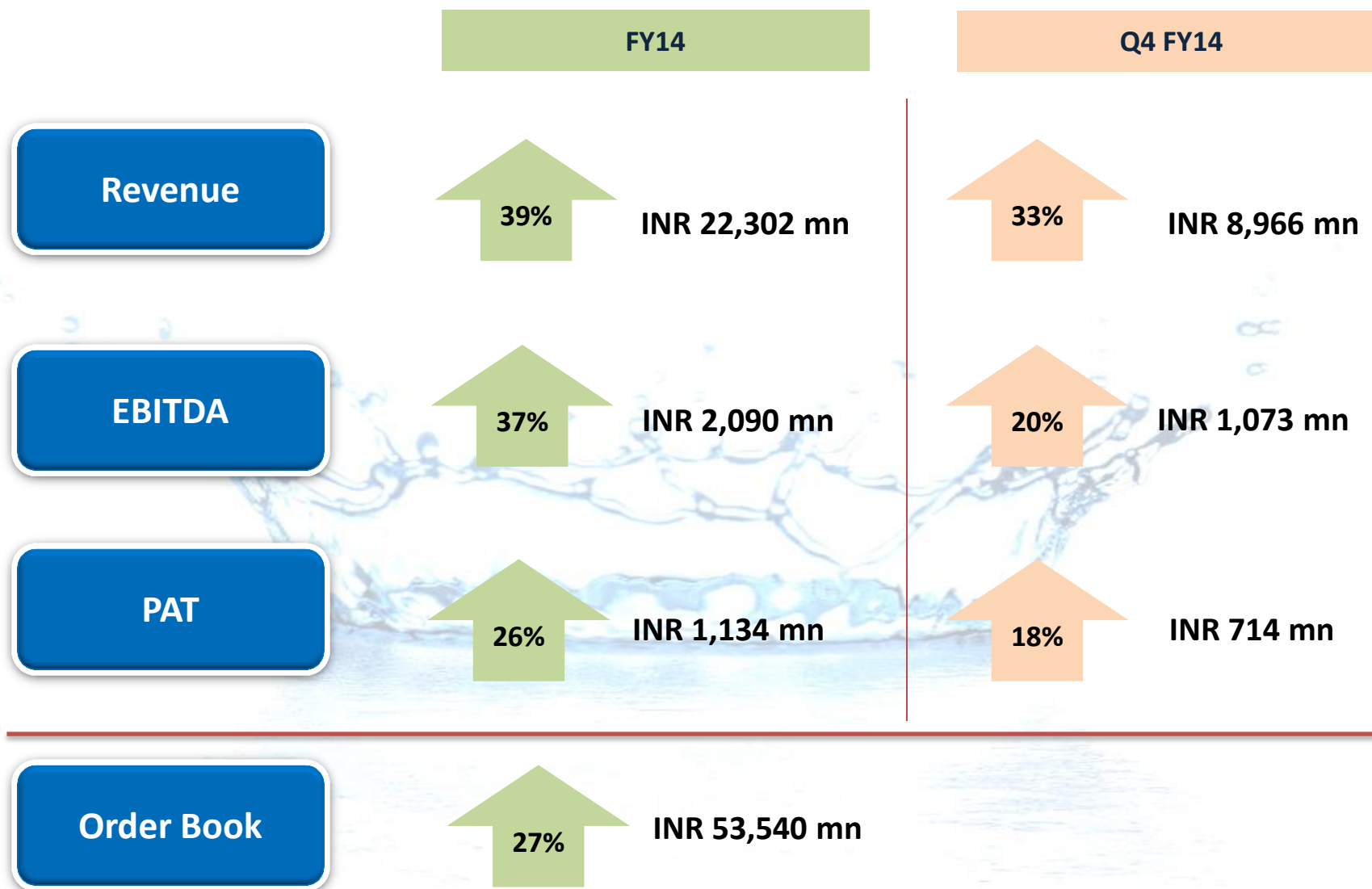
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Order Book Analysis

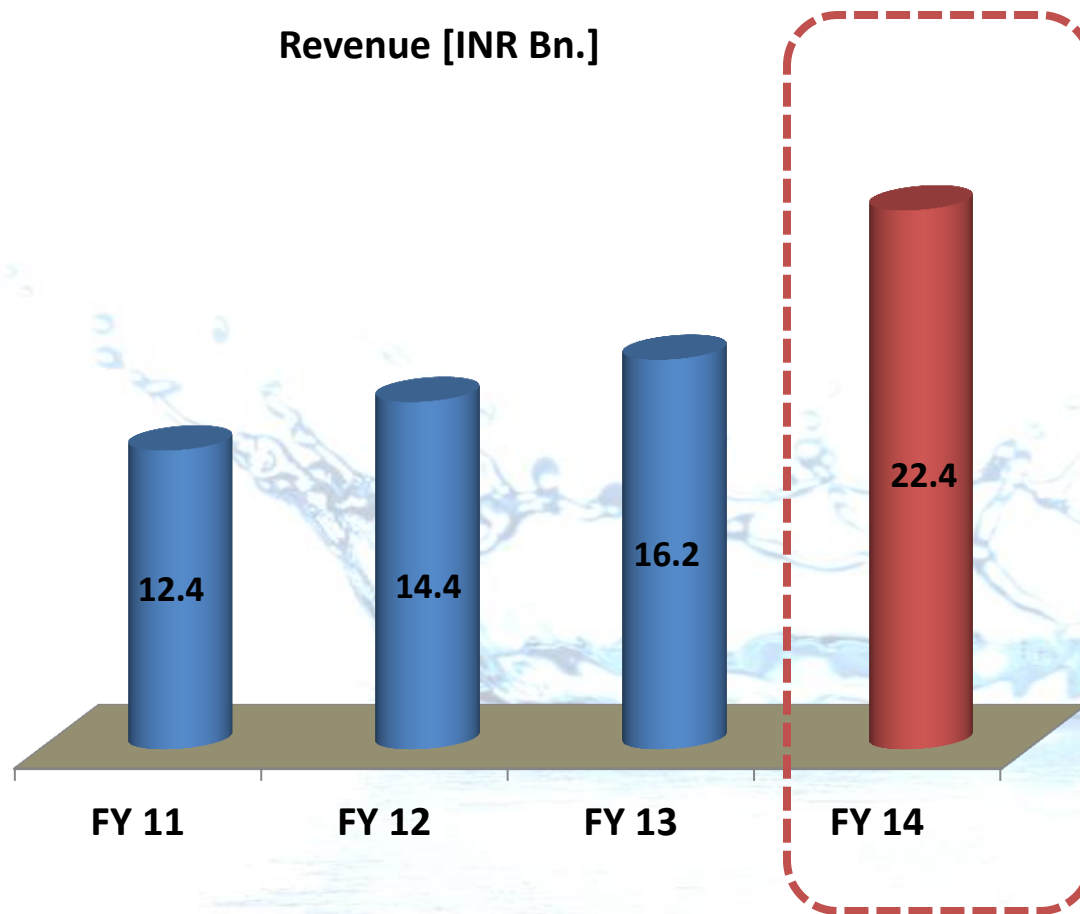
Key Highlights & Analysis



Q4 & Full year FY 14 Consolidated Performance Highlights

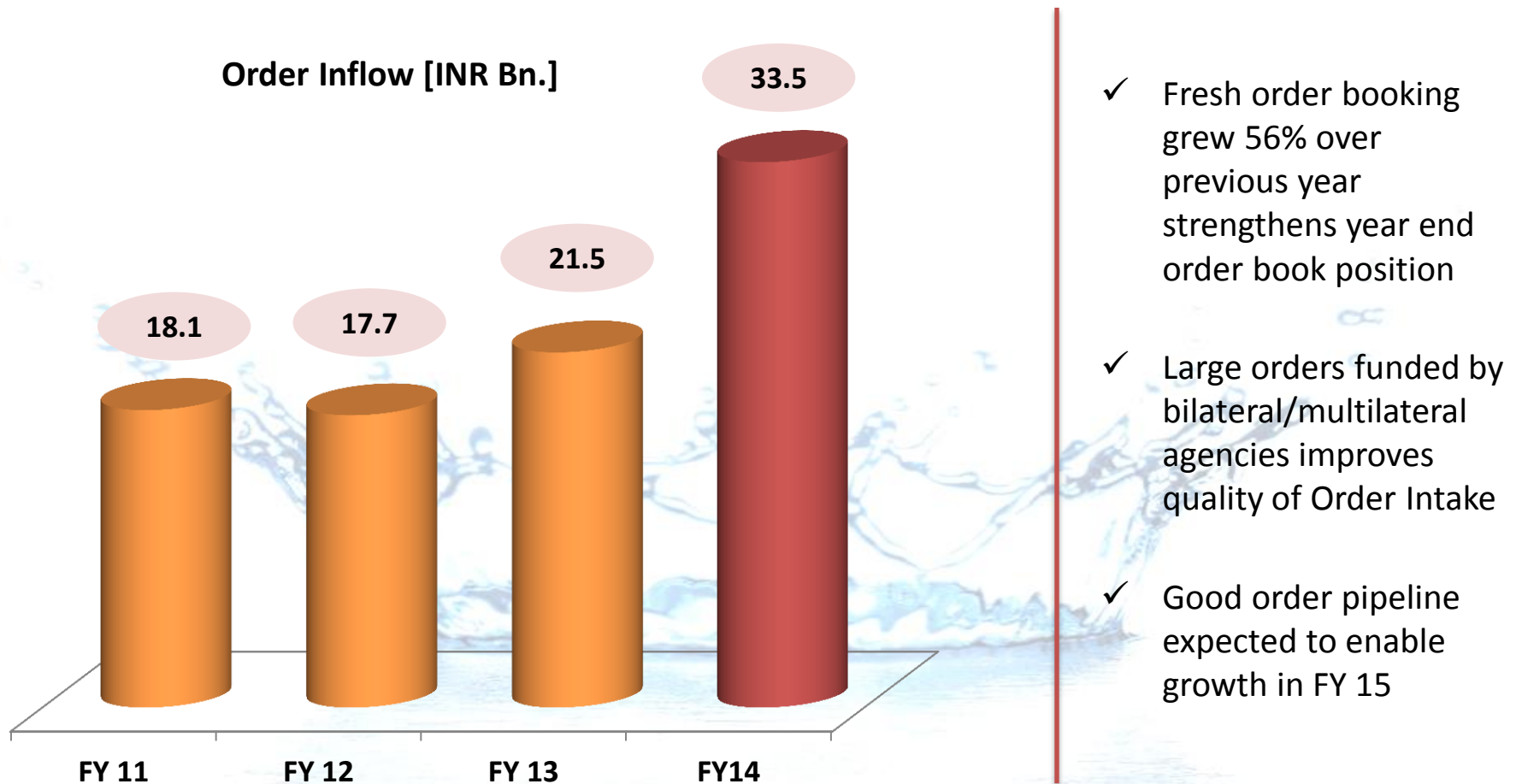


Robust Revenue Growth...



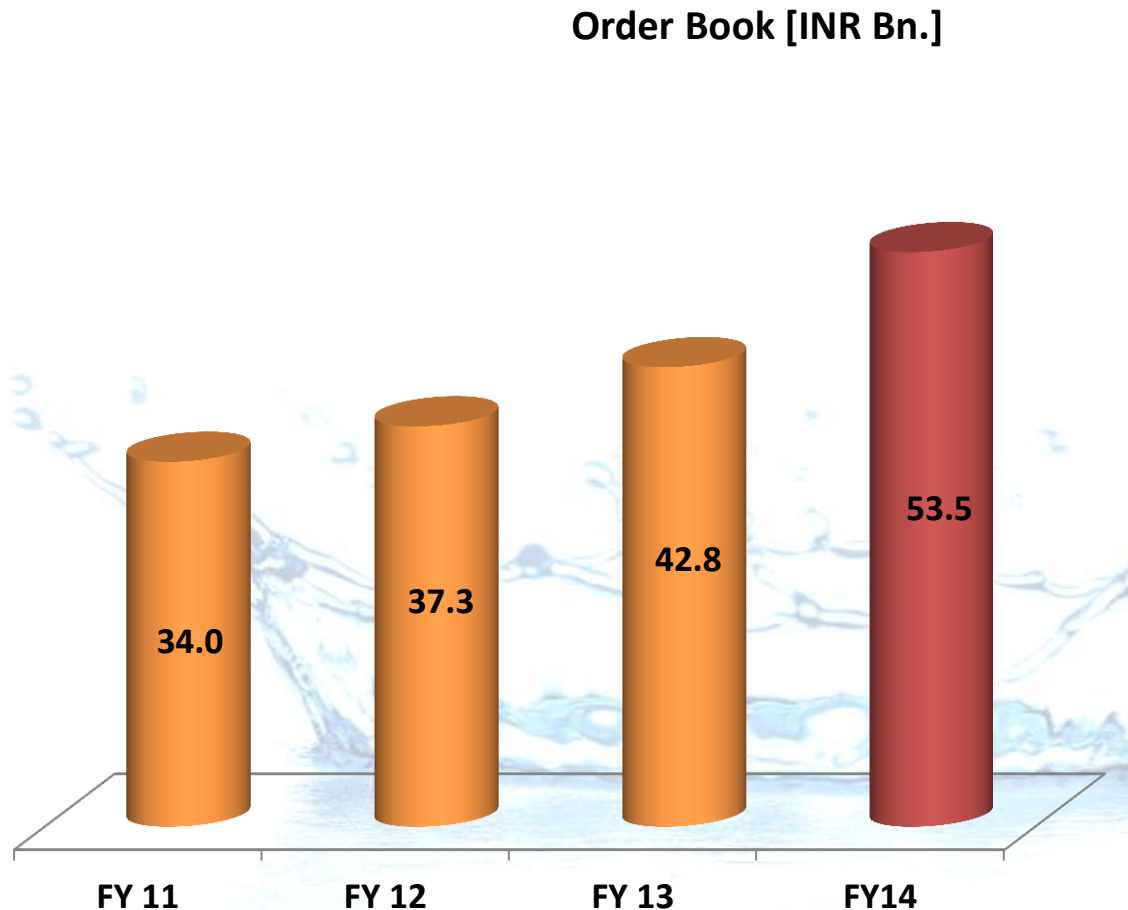
- ✓ Execution Team across geographies focussed on execution.
- ✓ European Subsidiaries crossed Euro 100 Mn mark on Revenue
- ✓ Good performance by Other Indian Subsidiaries : INR 3,620 Mn CY over INR 296 Mn PY

...with strong momentum in Consolidated Order Inflow



Rs. 33.5 bn in FY 2014 - Highest ever Order Intake in the history of Company

...and Healthy Order Book position

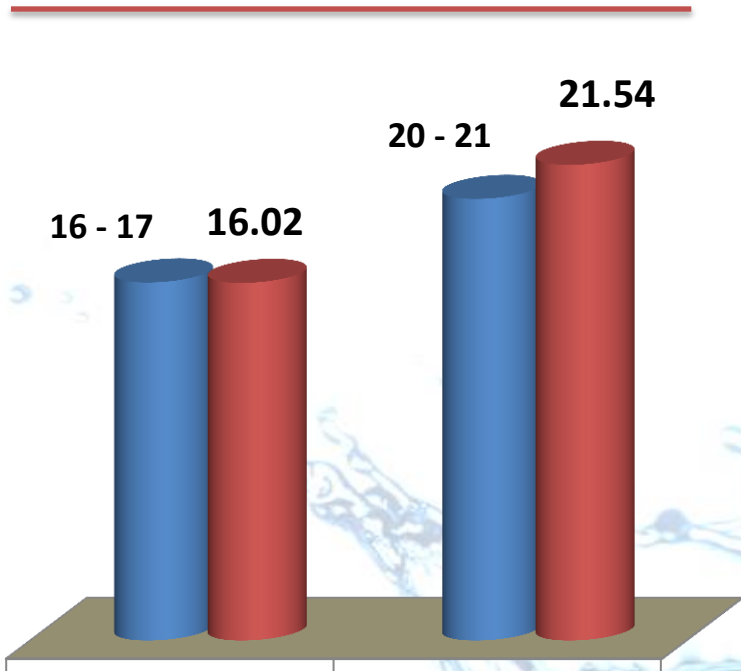


- ✓ Strong Order book of INR 53.5 bn at the end of March 2014
- ✓ INR 38 bn EPC and INR 15 bn O&M Orders provide good visibility for Revenue growth

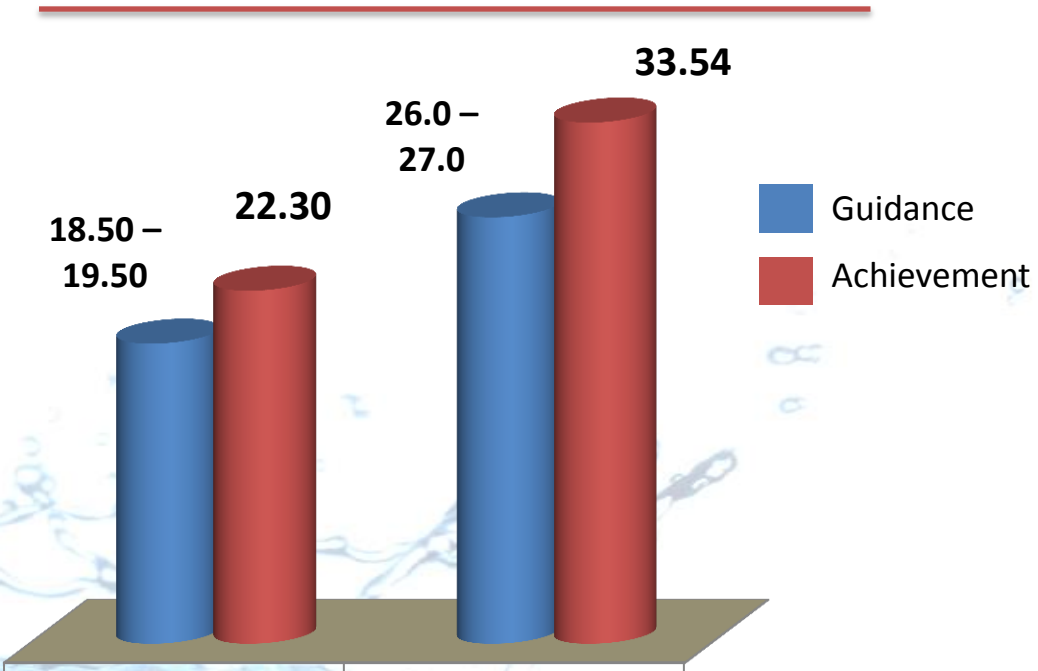
Strong visibility and sustainability in Order Book

Consistently achieving Guidance

FY 2013 [INR Bn]



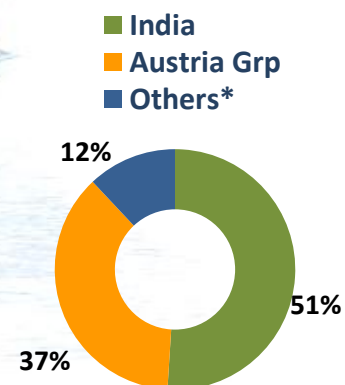
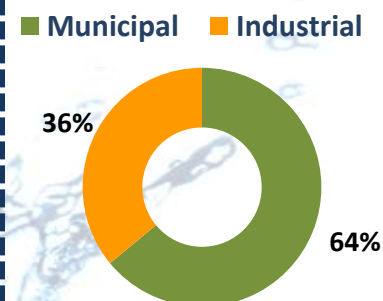
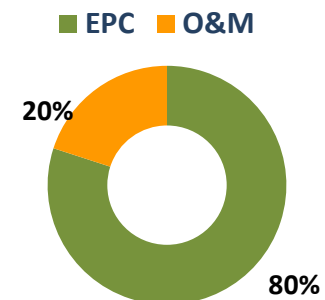
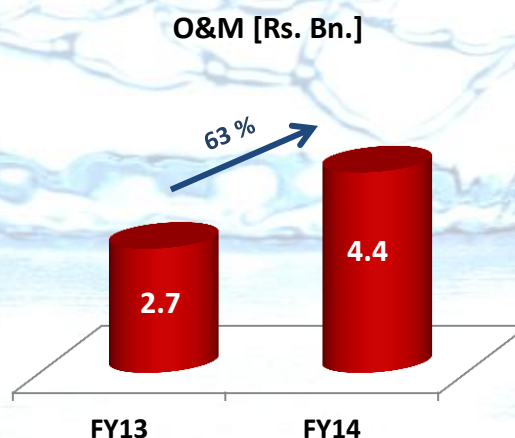
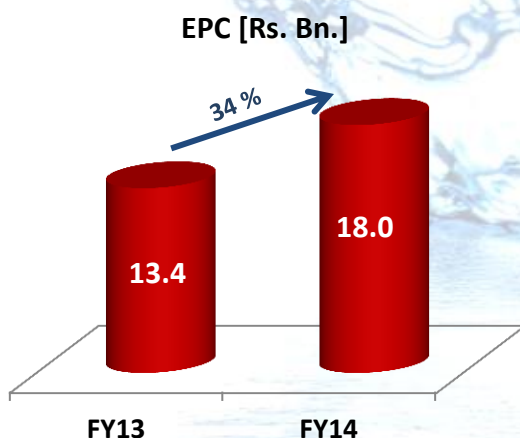
FY 2014 [INR Bn]



Guidance for FY 15
Revenue : INR 26.0 Bn – INR 27.0 Bn & Order Intake : INR 32.0 Bn – INR 34.0 Bn

Revenue Breakup

INR Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	5,937	3,985	907	571	11,400
Wabag Overseas	5,215	2,805	2,140	741	10,901
Total	11,152	6,790	3,047	1,312	22,301

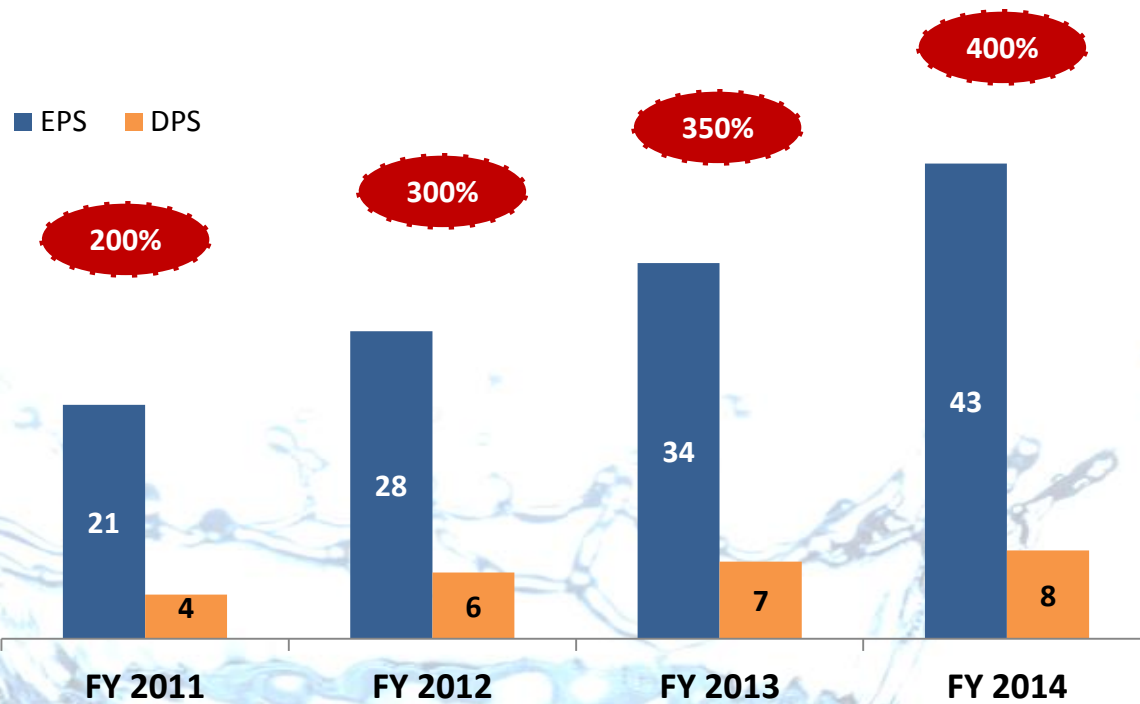


* Includes Oman, Philippines, & Nepal

Key Projects contributing to Revenue

Project Details	Revenue recognized [INR Mn]
▪ Al Ghubrah, Oman - 191MLD SWRO	2,152
▪ BWSSB, K&C Valley, Bangalore – 60 MLD STP	1,260
▪ Dambulla, Sri Lanka - WTP	1,241
▪ Petrobrazi , Romania – WWTP	977
▪ Nepal – 85 MLD WTP	611
▪ Madinah STP, Egypt	608
▪ KMDA, Madyamgram – 140 MLD WTP	582
▪ Punj Lloyd, Qatar, Desalination Plant	506
▪ Tehran, STP	500
▪ RIL, Dahej – ETP	481
▪ Adana O&M, Turkey	450

Dividend Pay-out



Earning Per Share (Rs.)	21	28	34	43
Dividend Per Share (Rs.)	4 *	6	7	8
Dividend Payout	19 %	21 %	21 %	19%

Financial Highlights



RESULTS OVERVIEW – Consolidated Profit and Loss

INR Millions	Q4 FY 14	Q4 FY 13	YoY %	FY14	FY13	YoY%
Income	8,966	6,766	33%	22,302	16,022	39%
Other Operating Income	10	90	-89%	85	151	-44%
Cost of Sales	7,044	5,167	36%	16,979	11,766	44%
Total Cost of Operations (TCO)	860	796	8%	3,317	2,882	15%
EBITDA	1,073	894	20%	2,090	1,524	37%
EBITDA margin	11.97%	13.21%		9.37%	9.51%	
Net (Gain) / Loss on Forex	42	1		205	(16)	-1397%
Interest & Finance Charges (Net)	51	18	179%	124	79	56%
Depreciation & Amortization	35	30	14%	150	109	38%
Exceptional Items	51			51		
Tax	277	244	13%	526	456	15%
Profit After Tax	714	604	18%	1,134	903	26%
PAT margin	7.96%	8.92%		5.08%	5.60%	
EPS [INR]	26.8	22.8		42.6	34.1	

- Focus on Quality of Order Book and excellence in execution apart from tighter control on TCO resulted in growth of revenue by 39% accompanied by growth of EBIDTA by 37%.
- Manpower in India support business development, engineering and execution in overseas location, whose revenue is partly in consolidation & partly in standalone.
- Exceptional item represents treatment of Pension expense in Switzerland under Defined Contribution Plan in line with local GAAP.

RESULTS OVERVIEW – Standalone Profit and Loss

INR Millions	Q4 FY 14	Q4 FY 13	YoY %	FY14	FY13	YoY%
Income	5185	4,993	4%	11400	10,411	10%
Other Operating Income	70	91	-23%	123	103	19%
Cost of Sales	4068	3,998	2%	8686	8,172	6%
Total Cost of Operations (TCO)	390	312	25%	1313	1,011	30%
EBITDA	797	773	3%	1523	1,330	15%
EBITDA margin	15.37%	15.48%		13.36%	12.77%	
Net (Gain) / Loss on Forex	21	2	1320%	112	-59	-291%
Interest & Finance Charges (Net)	18	-2	-1032%	7.3	-10	-170%
Depreciation & Amortization	27	19	42%	80.9	66	22%
Tax	241	244	-2%	436.9	432	1%
Profit After Tax	491	510	-4%	886	901	-2%
PAT margin	9.46%	10.22%		7.77%	8.66%	

- Indian manpower support other overseas geographies. TCO is largely in control.
- Increase in Interest and Finance charges mainly due to higher BG & LC Charges due to substantial increase in Order Intake during the year
- Increase in Depreciation due to capitalization of new office premises in Chennai.
- Forex movement largely represents mark to market reinstatement .

RESULTS OVERVIEW – Balance Sheet

Rs. Millions	Mar'14	Mar '13	Mar'14	Mar '13
	Consolidated		Standalone	
Net Worth	8,410	7,154	6,028	5,366
Minority Interest	28	19	-	-
Non-Current Liabilities	2,276	1,147	1,625	853
Trade Payables	8,620	6,890	5,444	5,336
Other Current Liabilities	5,024	3,696	2,925	1,975
Total Liabilities	24,357	18,906	16,023	13,530
Fixed Assets	1,199	835	1,019	713
Intangible Assets under Development (BOOT Investment)	685	154	-	-
Other Non-Current Assets	2,121	1,517	2,269	1,599
Trade Receivables	13,875	11,095	9,237	7,823
Cash & Bank Balances	3,702	2,867	1,564	1,714
Other Current Assets	2,776	2,439	1,934	1,681
Total Assets	24,357	18,906	16,023	13,530

- Consol Payables (CL) 141 days Sales against PY 157 days. Consol Receivables (CA) 227 days CY vs 252 days PY.
- Non current liabilities increased due to Long Term borrowing for BOOT project in Namibia INR 449 Mn & rest due to increase in long term India Project related retentions/ payables.
- Consol Net cash in Balance Sheet INR 3093 Mn. Company extended payment support to subcontractors for expediting execution during the year.

RESULTS OVERVIEW – Working Capital Highlights

Rs. Millions	Mar'14	Mar '13
Current Investments	200	
Inventories	350	405
Trade Receivables	13875	11095
Loans and Advances	995	1115
Cash & Bank Balances	3702	2867
Other Current Assets	1232	919
Total Current Assets (A)	20353	16401
Short-term borrowings	1133	796
Trade Payables	8620	6890
Other Current Liabilities and Provisions	3891	2900
Total Current Liabilities (B)	13643	10586
Net Working Capital without Cash (NWC)	3008	2948
Net Working Capital without Cash (No. of Days)	49	67

Net working Capital No. of days as on 31st March 2014 has dropped to 49 days from 67 days as on 31st March 2013.

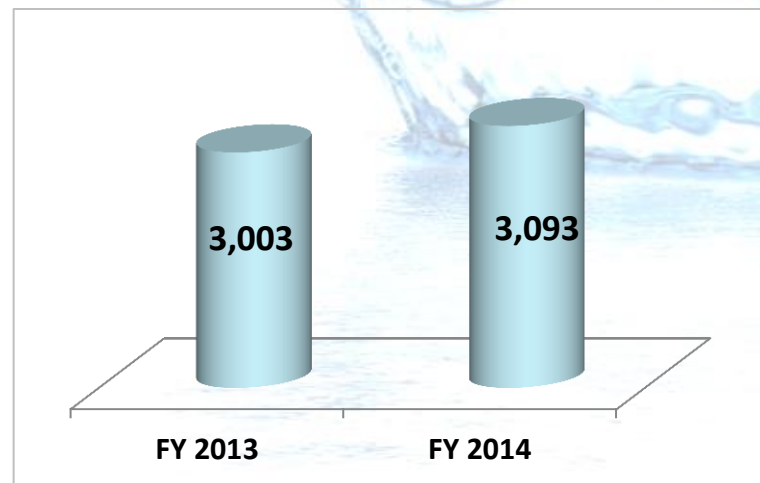
49 Days Net Working Capital excluding Cash for FY 2014

Cash Balance & ROCE

Increase in Net Cash [Rs. Mn.]

	Mar'14	Mar '13
Cash & Bank Balance	3,702	2,867
Fixed Deposits *	974	958
Gross Cash Balance	4,676	3,825
Borrowings	1,583	822
Net Cash	3,093	3,003

* Part of Other Non Current Assets



ROCE

	Mar'14	Mar '13
EBIT	1,786	1,431
Capital Employed	9,993	7,976
Net Worth	8,410	7,154
Borrowings	1,583	822
ROCE	18%	18%

EBIT excl. Interest Income	1,657	1,299
Capital Employed (excl. Cash)	5,317	4,151
Cash Balance	4,676	3,825
ROCE (excl. Cash)	31%	31%

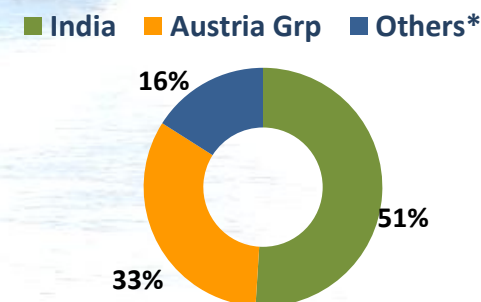
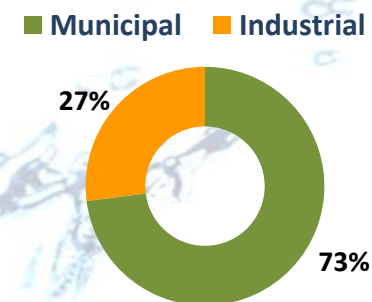
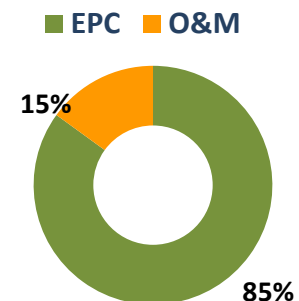
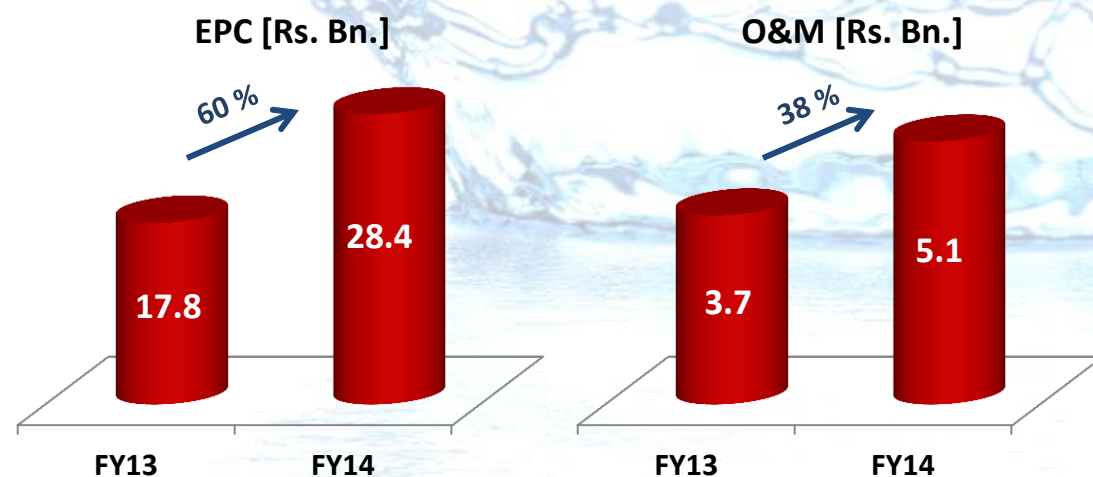
ROCE = EBIT / Capital Employed

Order Book Analysis



Order Inflow Composition – FY14

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	10,517	3,892	2,615	126	17,150
Wabag Overseas	9,894	4,089	1,457	949	16,389
Total	20,411	7,981	4,072	1,075	33,539



* Includes Oman, Philippines, Nepal

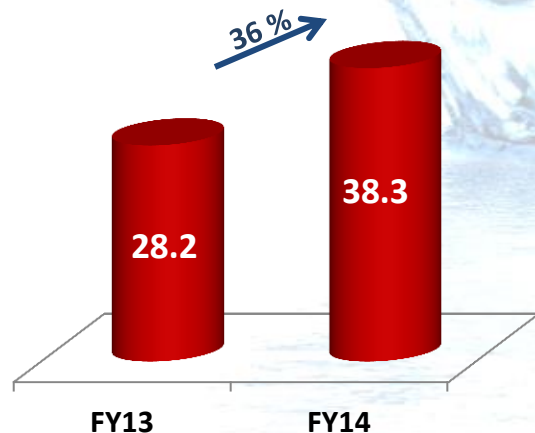
Key Orders received – FY14

Project	Particulars	Amount [Rs. Mn]
OWSSB, Orissa	100 MLD STP	3,250
Reliance Industries, Jamnagar	Industrial ETP & TTP	2,950
BWSSB, Belandur	90 MLD WWTP	2,500
DAWASA, Tanzania	130 MLD WTP	2,450
Melamchi, Nepal	85 MLD WTP	2,433
Ilugin, Philippines	100 MLD STP	1,480
Izmir, Turkey	360 MLD WTP	1,468
Madinaty,, Egypt	40 MLD WWTP	1,320
WTP, Aurangabad	192 MLD WTP	1,350
GECOL, Libya	Demineralization & Electro Chlorination Plants	1,195
CMWSSB, Chennai	Pumping station & pipeline works for water supply & sewerage scheme	1,148

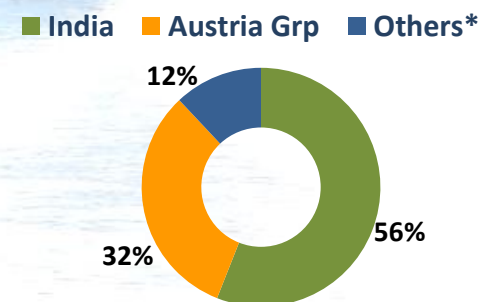
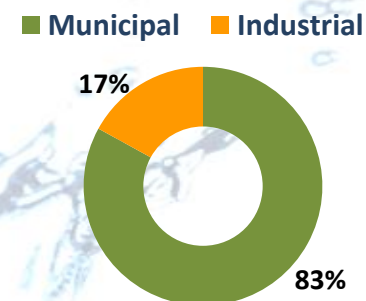
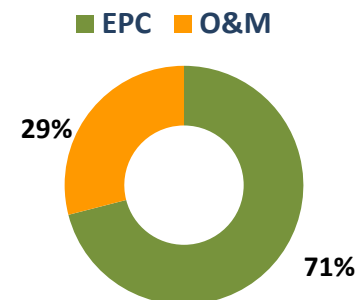
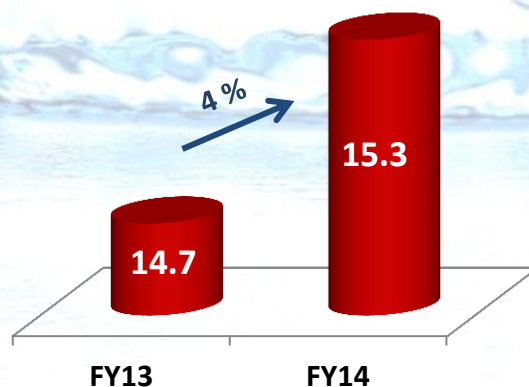
Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	11,278	5,535	12,686	738	30,237
Wabag Overseas	19,110	2,356	1,247	590	23,303
Framework Contracts					8,833
Total	30,388	7,891	13,933	1,328	62,373

EPC [Rs. Bn.]



O&M [Rs. Bn.]



* Includes Oman, Muscat, Philippines, Nepal

Order Book of Rs. 53.5 Bn & Framework Contracts of Rs. 8.8 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
▪ Nemmeli, Chennai - 100 MLD Desalination O&M	4,859
▪ Ulhasnagar, Mumbai - 195 MLD WTP with O&M	3,300
▪ OWSSB, Orissa - 100 MLD STP	2,755
▪ DAWASA, Tanzania – 130 MLD WTP	2,370
▪ Al Ghubrah, Oman - 191MLD SWRO	2,051
▪ BWSSB, Belandur - 90 MLD STP	2,248
▪ Melamchi, Nepal – 85 MLD WTP	1,685
▪ Izmir, Turkey – 360 MLD WTP	1,299
▪ Ilugin, Phillipines–100 MLD STP	1,239
▪ Madinaty, Egypt – 40 MLD STP	1,036

Key Framework Contracts *

- Libya STP of Rs. 7,403 mn
- Tobruk, Libya Desal of Rs. 1,430 mn

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



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