

VA TECH WABAG LTD.

**Result Update Presentation
Q2 & H1 FY 17**



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Key Highlights Q2 & H1 FY 17



- Consolidated Sales up by 30 %
- Consolidated Net Profit up from Rs. 44 Mn in H1 FY 16 to Rs. 292 Mn in H1 FY 17
- Order intake of over Rs. 15 Bn
- Total Order Book of over Rs. 79 Bn including Framework contracts of Rs. 8.7 Bn



Petrobrazi ETP, Romania

Quarterly Performance



RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q2 FY17	Q2 FY 16	YOY %	H1 FY 17	H1 FY 16	YoY %
Income	4,485	3,245	38%	7,042	5,784	22%
Other Operating Income	51	30	72%	96	56	71%
Cost of Sales	3,596	2,620	37%	5,537	4,384	26%
Total Cost of Operations (TCO)	431	279	54%	855	784	9%
EBITDA	509	376	36%	746	671	11%
EBITDA margin	11.4%	11.6%		10.6%	11.6%	
Net (Gain) / Loss on Forex	1	-54		-100	-56	78%
Interest & Finance Charges (Net)	50	31	65%	97	43	123%
Depreciation & Amortization	24	30	-22%	48	62	-23%
Tax	150	127	18%	243	215	13%
Profit After Tax	284	241	18%	459	408	12%
PAT margin	6.3%	7.4%		6.5%	7.1%	
Other Comprehensive Income	-3	-2		-5	-2	
Total Comprehensive Income	281	240	17%	453	405	12%

- Good opening order backlog followed through with better execution lead to 38% increase in Sales in Q2
- Good margin in international projects secured in IIU's in PY enabled us to maintain a healthy margin
- Increase in interest and finance charges mainly due to increase in short term borrowing for working capital and increased bank charges for higher order book

RESULTS OVERVIEW – Consolidated Profit and Loss

Rs. Millions	Q2 FY17	Q2 FY 16	YOY %	H1 FY 17	H1 FY 16	YoY %
Income	7,771	5,924	31%	13,565	10,472	30%
Other Operating Income	6	9	-41%	14	16	-15%
Cost of Sales	6,296	4,787	32%	10,930	8,147	34%
Total Cost of Operations (TCO)	900	672	34%	1,794	1,583	13%
EBITDA	580	475	22%	855	759	13%
EBITDA margin	7.5%	8.0%		6.3%	7.2%	
Net (Gain) / Loss on Forex	-5	-25	-82%	-50	-21	144%
Interest & Finance Charges (Net)	94	101	-7%	204	169	21%
Depreciation & Amortization	47	53	-11%	93	104	-11%
Tax	186	151	24%	296	247	19%
Share of Profits from Associates / MI	-17	-54	-69%	-20	-215	-91%
Profit After Tax	240	142	70%	292	44	566%
PAT margin	3.1%	2.4%		2.2%	0.4%	
Other Comprehensive Income	96	-58		94	-67	
Total Comprehensive Income	337	84	301%	386	-23	

- Good progress in execution in IIU projects like Petronas, Malaysia and AMAS, Bahrain led to increase in Sales by more than 20% in Q2 (other than Standalone)
- Good international projects in IIU's contributed to improved margins
- Share of profits from Associates and Minority interests in Q2 & H1 FY 16 majorly represents the reclassification as per IND-AS requirement. No impact in PAT.

RESULTS OVERVIEW – Balance Sheet

Rs. Millions	Sep'16	Sep'16
	Consolidated	Standalone
Net Worth	9,402	7,980
Non-Current Liabilities	2,724	1,753
Trade Payables	11,732	7,351
Short Term Borrowings	4,696	3,587
Other Current Liabilities	3,867	664
Total Liabilities	32,420	21,334
Fixed Assets	1,812	932
Other Non-Current Assets	3,874	3,962
Trade Receivables	18,736	11,577
Cash & Bank Balances	3,521	772
Other Current Assets	4,477	4,092
Total Assets	32,420	21,334

➤ As per SEBI directive, Ind-AS restated previous year Balance Sheet will be published as part of Full Year FY 17 financials

RESULTS OVERVIEW – Working Capital Highlights

Rs. Millions	Sep'16	Mar '16*
Inventories	1,548	976
Trade Receivables	18,736	17,682
Loans and Advances	1,574	1,099
Other Current Assets	1,356	1,503
Total Current Assets (A)	23,213	21,260
Trade Payables	11,732	10,399
Other Current Liabilities and Provisions	3,867	4,170
Total Current Liabilities (B)	15,599	14,569
Net Working Capital (NWC)	7,615	6,691
Net Working Capital (No. of Days)	98	96

**as per published financials*

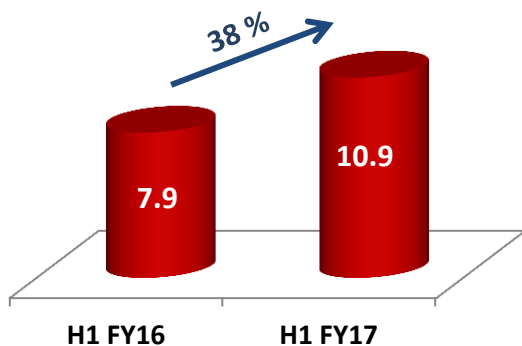
- APGENCO project receivable's contribute ~16% of receivables, of which 50% will be due in the course of next 4-5 months and balance in FY 18
- Judicious use of Cash / Short Term borrowings and negotiation of credit terms with vendors led to control in working capital despite strong increase in turnover

Net working capital no. of days sales at 98 days

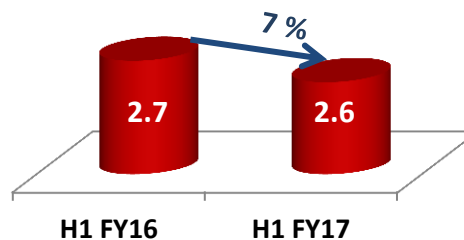
Revenue Breakup – H1 FY17

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	1,888	4,425	558	171	7,042
Wabag Overseas	2,953	1,654	1,398	518	6,523
Total	4,841	6,079	1,956	689	13,565

EPC [Rs. Bn.]

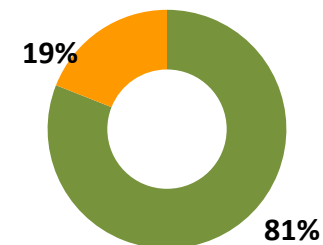


O&M [Rs. Bn.][@]

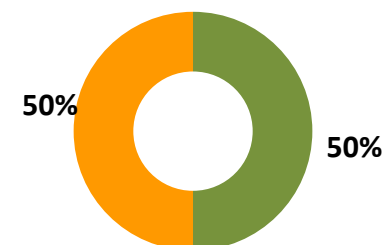


[@] The power cost component of Nimmeli O&M was removed from the backlog in Q3 FY16

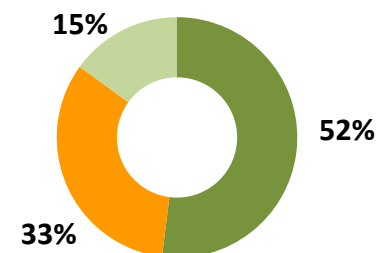
EPC O&M



Municipal Industrial



India Austria MDUs* IIUs #



Key Projects Contributing to Revenue – H1 FY 17

Project Details	Revenue recognized [Rs. Mn]
▪ APGENCO – BOP with Water management	2,002
▪ Petronas RAPID ETP, Malaysia	1,979
▪ AMAS, Bahrain – 40 MLD STP	1,163
▪ Istanbul, Turkey O&M	766
▪ RIL Projects	559
▪ Dangote, Nigeria – 60 MLD RWTP	462
▪ Suplac, Romania – ETP	392
▪ UP Jal Nigam – 140 MLD STP	384
▪ Ferganska, Uzbekistan – WWTP	320
▪ Polatli, Turkey – WWTP	300

Order Book Analysis – H1 FY17

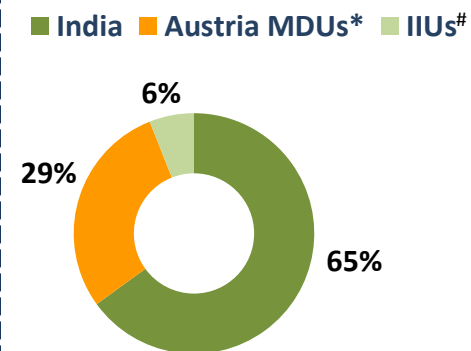
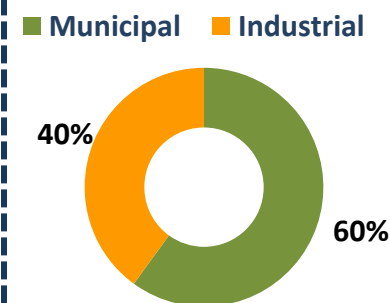
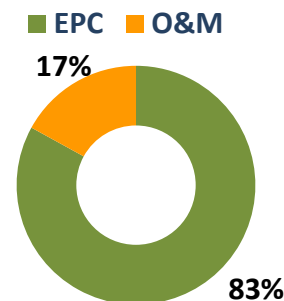


Order Intake Breakup – H1 FY17

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	4,989	4,132	596	171	9,889
Wabag Overseas	2,609	867	882	967	5,324
Total	7,598	4,999	1,478	1,138	15,213

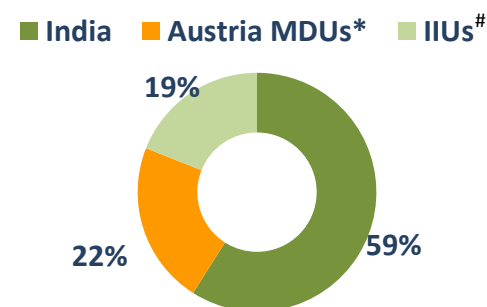
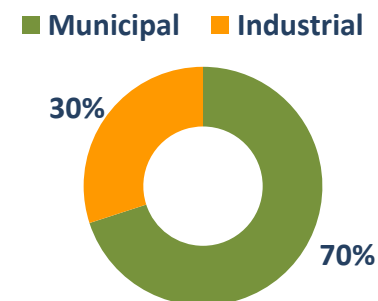
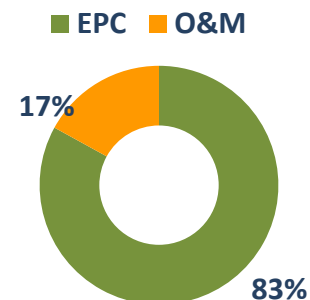
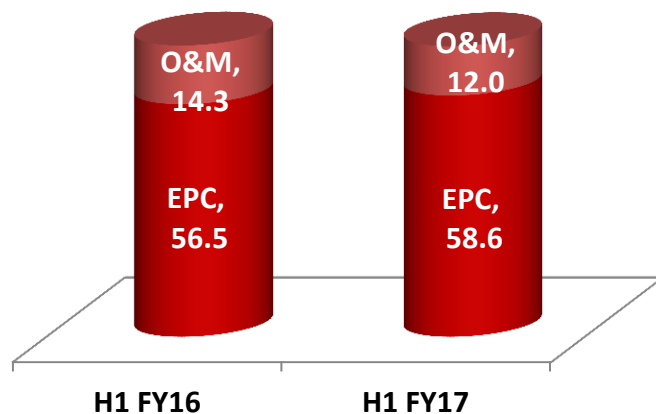
Key Orders Received in Q2	Order Value (Rs. Mn)
■ Las Esclusas, Ecuador – 230 MLD WWTP*	2,625
■ Ismailia, Egypt – 180 MLD WTP	1,087
■ PUB, Singapore – O&M	582
■ Makati, Philippines – STP Rehab	353

* Las Esclusas, Ecuador – 230 MLD WWTP Project not part of Order Backlog since the project revenue will not be part of consolidation; WABAG has a 40% stake in this project.



Order Book Composition – H1 FY17

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	20,602	10,963	10,158	179	41,902
Wabag Overseas	18,185	8,889	368	1,309	28,751
Framework Contracts					8,659
Total	38,787	19,852	10,526	1,488	79,311



Order Book of Rs. 71 Bn & Framework Contracts of Rs. 8.7 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
• Petronas RAPID ETP, Malaysia	11,088
• Polgahawela, Sri Lanka – WTP	7,340
• Koyambedu, Chennai – 45 MLD TTP	5,910
• AMAS, Bahrain – 40 MLD STP	3,979
• APGENCO – BOP with Water Management	3,522
• OWSSB, Orissa – 100 MLD STP with O&M	1,719
• Guheshwori, Nepal – WWTP	1,351
• Valenzuela, Philippines - 60 MLD STP	1,316
• UP Jal Nigam - 140 MLD STP	1,099
▪ Ismailia, Egypt – 180 MLD WTP	1,087

Key Framework Contracts *

- Libya STP of Rs. 6,114 mn
- Tobruk, Libya Desal of Rs. 1,181 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 17

Revenue : INR 30 Bn – INR 32 Bn & Order Intake : INR 40 Bn – INR 42 Bn



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