

VA TECH WABAG LTD.

**Result Update Presentation
Q3 & 9M FY 17**



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Key Highlights Q3 & 9M FY 17



Key Highlights

- Consolidated Sales up by 25% in 9M FY17
- Consolidated EBITDA up by 37% in 9M FY17
- Consolidated PAT up by 13% in 9M FY17
- Order intake of over Rs. 27 Bn
- Order backlog of Rs. 84 Bn including framework contracts of Rs. 8.7 Bn



Siverek WWTP, Turkey

Quarterly Performance



RESULTS OVERVIEW – Standalone Profit and Loss

| Rs. Millions | Q3 FY17 | Q3 FY 16 | YOY % | 9M FY 17 | 9M FY 16 | YoY % |
|-----------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Income | 3,726 | 3,713 | 0.4% | 10,769 | 9,497 | 13% |
| Other Operating Income | 82 | 28 | 194% | 178 | 84 | 112% |
| Cost of Sales | 2,690 | 2,888 | -7% | 8,227 | 7,272 | 13% |
| Total Cost of Operations (TCO) | 389 | 458 | -15% | 1244 | 1,242 | |
| EBITDA | 729 | 395 | 84% | 1,475 | 1,066 | 38% |
| EBITDA margin | 19.6% | 10.6% | | 13.7% | 11.2% | |
| Net (Gain) / Loss on Forex | -5 | 10 | | -105 | -46 | 128% |
| Interest & Finance Charges (Net) | 61 | 47 | 30% | 157 | 90 | 75% |
| Depreciation & Amortization | 23 | 29 | -21% | 71 | 91 | -22% |
| Exceptional Items | 643 | 0 | | 643 | 0 | |
| Tax | 3 | 101 | -97% | 246 | 316 | -22% |
| Profit After Tax | 5 | 208 | -98% | 464 | 616 | -25% |
| PAT margin | 0.1% | 5.6% | | 4.3% | 6.5% | |
| Other Comprehensive Income | -3 | -1 | | -8 | -3 | |
| Total Comprehensive Income | 2 | 207 | -99% | 456 | 612 | -26% |

- Q3 FY17 sales impacted due to delay in commencing Chennai TTP and Sri Lanka WTP project. The two projects are expected to gather pace in Q4 FY17.
- Margin expansion in few international projects through procurement and engineering efficiencies resulted in higher margins in Q3 FY17.
- Exceptional item represents the payment of liquidated damages in the Oman Desalination JV.

RESULTS OVERVIEW – Consolidated Profit and Loss

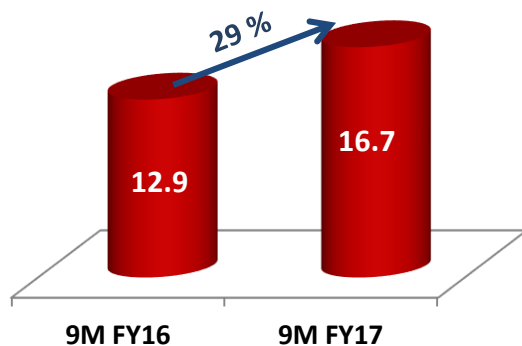
| Rs. Millions | Q3 FY17 | Q3 FY 16 | YOY % | 9M FY 17 | 9M FY 16 | YoY % |
|---------------------------------------|--------------|-------------|-------|-------------|-------------|-------|
| Income | 7,130 | 6,102 | 17% | 20,695 | 16,574 | 25% |
| Other Operating Income | 53 | 5 | 1052% | 67 | 21 | 219% |
| Cost of Sales | 5,400 | 4,787 | 13% | 16,330 | 12,934 | 26% |
| Total Cost of Operations (TCO) | 989 | 875 | 13% | 2,782 | 2,458 | 13% |
| EBITDA | 794 | 445 | 79% | 1,650 | 1,203 | 37% |
| EBITDA margin | 11.1% | 7.3% | | 8.0% | 7.3% | |
| Net (Gain) / Loss on Forex | -22 | 15 | | -72 | -5 | 1233% |
| Interest & Finance Charges (Net) | 124 | 100 | 25% | 328 | 269 | 22% |
| Depreciation & Amortization | 46 | 50 | -7% | 139 | 154 | -9% |
| Tax | 45 | 115 | -61% | 340 | 363 | -6% |
| Profit After Tax | 601 | 165 | | 914 | 423 | |
| Share of Profits from Associates / MI | -627 | 28 | | -647 | -187 | |
| Net Profit After Tax | -26 | 192 | | 267 | 236 | |
| PAT margin | -0.4% | 3.1% | | 1.3% | 1.4% | |
| Other Comprehensive Income | -69 | -13 | | 25 | -80 | |
| Total Comprehensive Income | -95 | 179 | | 292 | 156 | |

- 17% growth in topline aided by good on track execution in our large overseas projects.
- TCO increase is mainly on account of employee cost in IIU's like Malaysia, Bahrain, Singapore and Philippines.
- Margin expansion from the standalone entity led to better operating margins.
- The loss in share of profits from associates reflects the adverse impact of Liquidated Damages in the Oman Desalination JV.

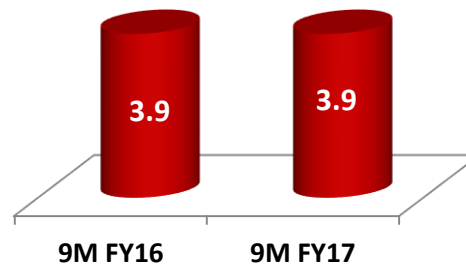
Revenue Breakup – 9M FY17

| Rs. Millions | EPC | | O&M | | Total |
|----------------|--------------|--------------|--------------|--------------|---------------|
| | Municipal | Industrial | Municipal | Industrial | |
| Wabag India | 2,952 | 6,765 | 798 | 254 | 10,769 |
| Wabag Overseas | 4,351 | 2,722 | 2,061 | 792 | 9,926 |
| Total | 7,303 | 9,487 | 2,859 | 1,046 | 20,695 |

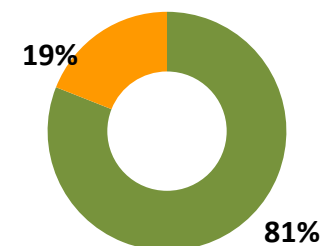
EPC [Rs. Bn.]



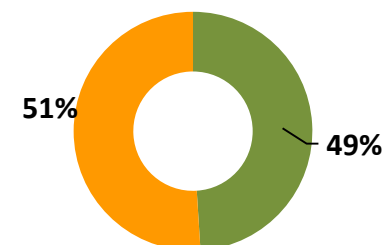
O&M [Rs. Bn.]



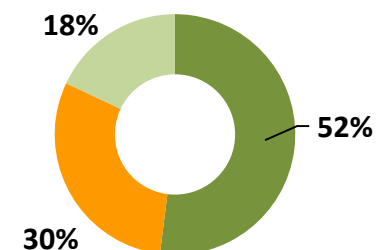
EPC O&M



Municipal Industrial



India Europe MDUs* IIUs #



Key Projects Contributing to Revenue – 9M FY 17

| Project Details | Revenue recognized [Rs. Mn] |
|---------------------------------------|--------------------------------|
| ▪ Petronas RAPID ETP, Malaysia | 3,153 |
| ▪ APGENCO – BOP with Water management | 2,871 |
| ▪ AMAS, Bahrain – 40 MLD STP | 1,892 |
| ▪ RIL Projects | 1,253 |
| ▪ Istanbul, Turkey O&M | 1,126 |
| ▪ Dangote, Nigeria – 60 MLD RWTP | 978 |
| ▪ UP Jal Nigam – 140 MLD STP | 616 |
| ▪ Suplac, Romania – ETP | 487 |
| ▪ Al Kharj, Saudi Arabia – WWTP | 419 |
| ▪ Ferganska, Uzbekistan – WWTP | 370 |

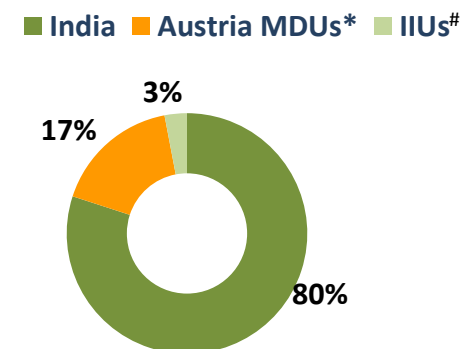
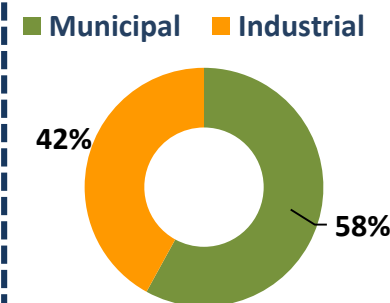
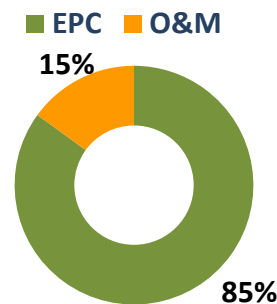
Order Book Analysis – 9M FY17



Order Intake Breakup – 9M FY17

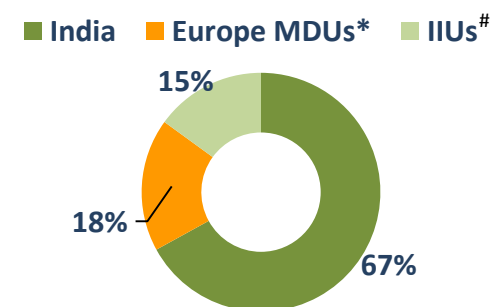
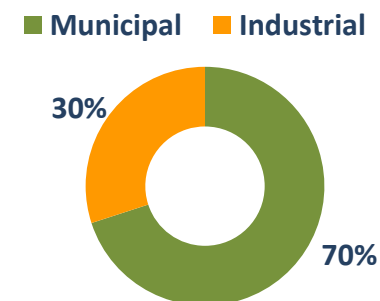
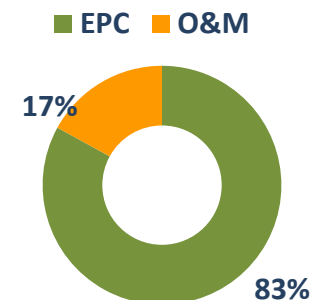
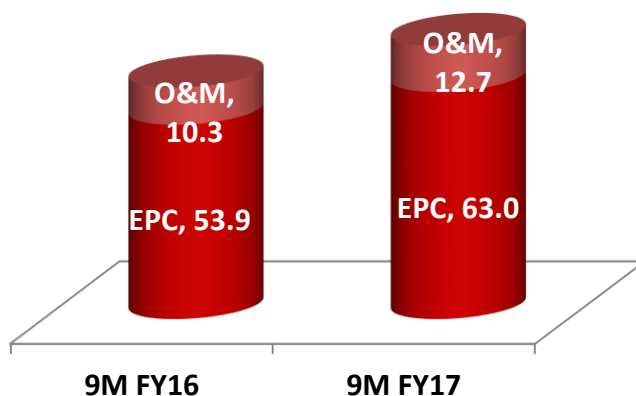
| Rs. Millions | EPC | | O&M | | Total |
|----------------|---------------|---------------|--------------|--------------|---------------|
| | Municipal | Industrial | Municipal | Industrial | |
| Wabag India | 10,520 | 9,779 | 1,653 | 288 | 22,240 |
| Wabag Overseas | 2,565 | 439 | 1,087 | 992 | 5,083 |
| Total | 13,085 | 10,218 | 2,740 | 1,280 | 27,323 |

| Key Orders Received | Order Value (Rs. Mn) |
|---|----------------------|
| ■ Integrated Water Supply Project - Barmer, Rajasthan | 5,953 |
| ■ Desal & STP order, Saudi Arabia | 5,579 |
| ■ Long Phu 1 Power Plant - CPU | 510 |



Order Book Composition – 9M FY17

| Rs. Millions | EPC | | O&M | | Total |
|---------------------|---------------|---------------|---------------|--------------|---------------|
| | Municipal | Industrial | Municipal | Industrial | |
| Wabag India | 25,110 | 14,210 | 10,975 | 215 | 50,510 |
| Wabag Overseas | 16,329 | 7,461 | 421 | 1,057 | 25,268 |
| Framework Contracts | | | | | 8,659 |
| Total | 41,439 | 21,671 | 11,396 | 1,272 | 84,437 |



Order Book of Rs. 76 Bn & Framework Contracts of Rs. 8.7 Bn

Key Contracts in Orderbook

| Project Details | Amt [Rs. Mn] |
|---|--------------|
| • Petronas RAPID ETP, Malaysia | 9,421 |
| • Polgahawela, Sri Lanka – WTP | 7,340 |
| ▪ Integrated Water Supply Project - Barmer, Rajasthan | 5,953 |
| • Koyambedu, Chennai – 45 MLD TTP | 5,910 |
| ▪ Desal & STP order, Saudi Arabia | 5,579 |
| • AMAS, Bahrain – 40 MLD STP | 3,321 |
| • APGENCO – BOP with Water Management | 2,768 |
| • OWSSB, Orissa – STPs with O&M | 1,608 |
| • Guheshwori, Nepal – STP | 1,309 |
| ▪ Ismailia, Egypt – 180 MLD WTP | 1,038 |

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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