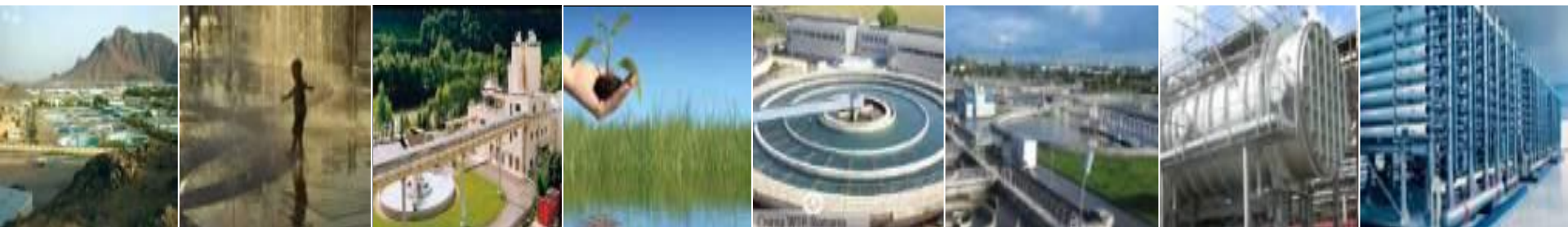




VA TECH WABAG

FY 13 Results Update

May 2013



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Key Highlights of FY 13

- Order Intake of Rs. 25 bn, growth of 35%
- Revenue of Rs. 16.2 bn, growth of 12%
- EBITDA of Rs. 1.55 bn, margin improved to 9.6% from 9%
- Net Profit of Rs. 903 mn, growth of 22%
- Total Order Book of Rs. 54 bn including Framework Contracts of Rs. 11 bn

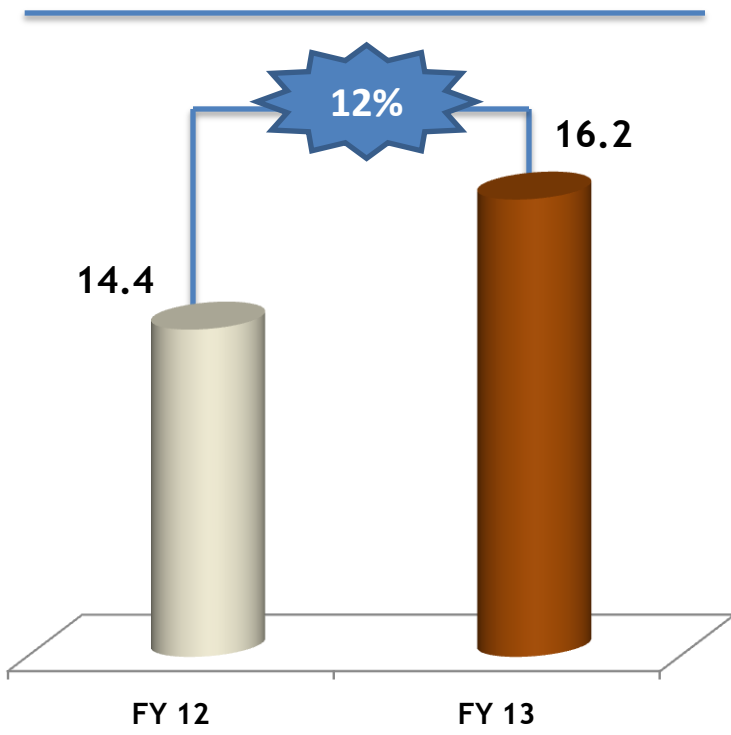


Waste water treatment plant, Turkey

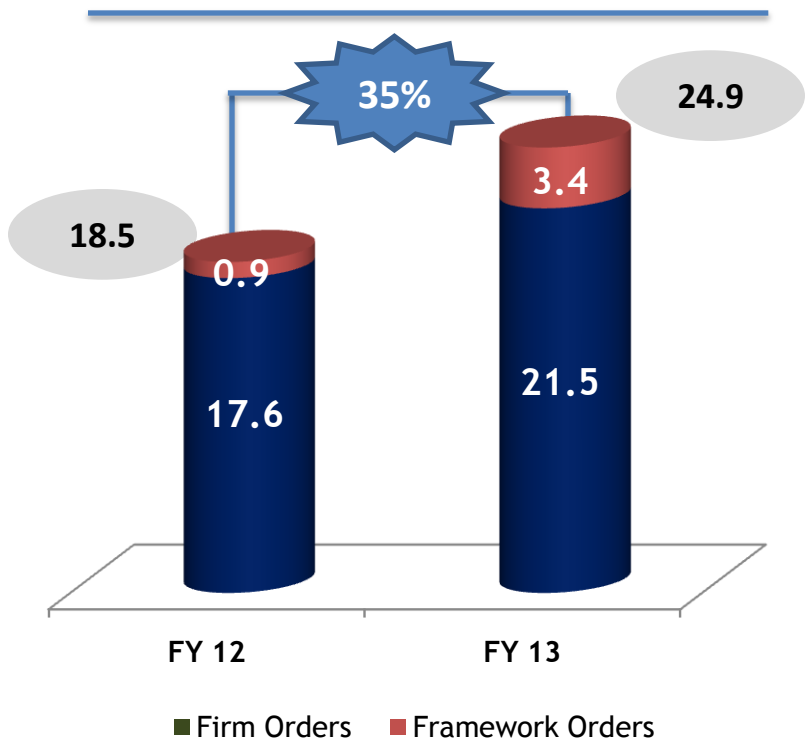
A Unique Global Water Player ...

Growth in Revenue & Order Intake

Consolidated Revenue [Rs. Bn.]



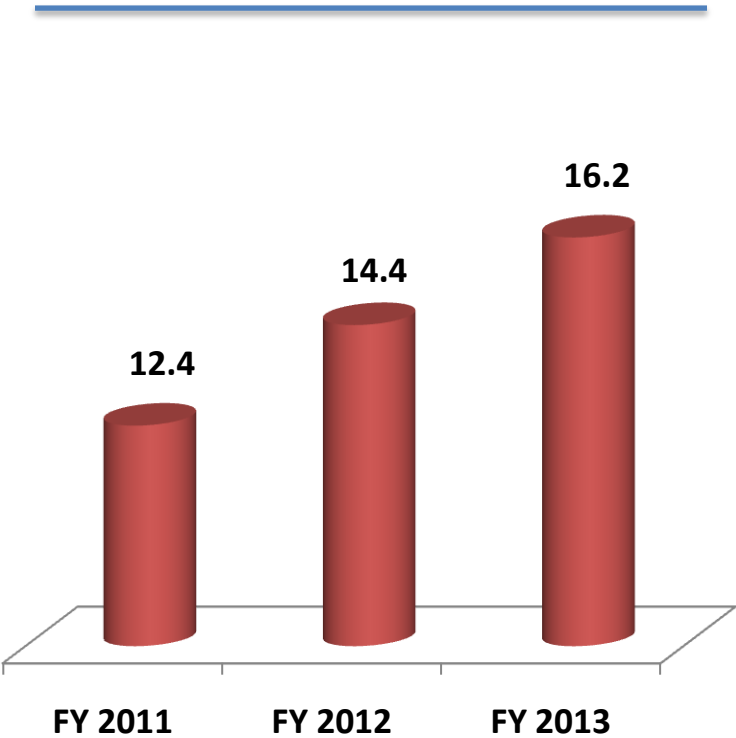
Order Intake [Rs. Bn.]



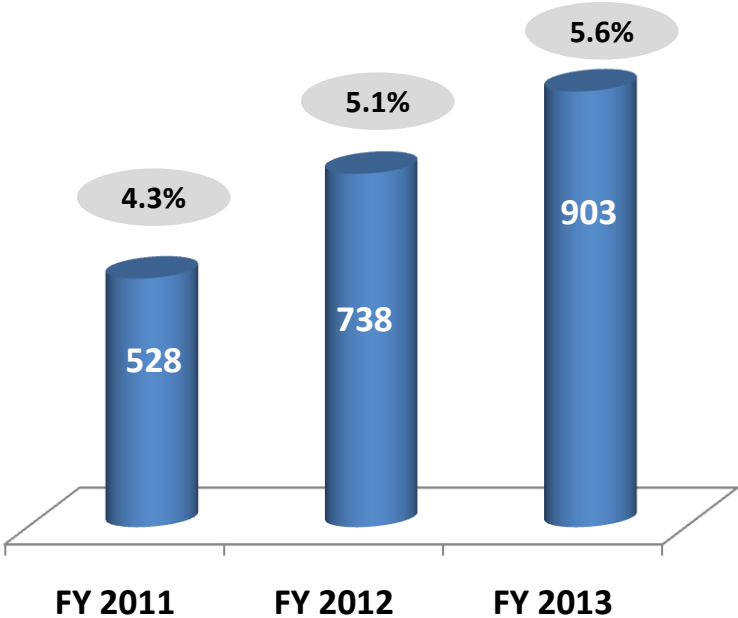
Order Intake of Rs. 24.9 Bn – Highest ever in the history of Company

Consistently Achieving “Profitable Growth”

Revenue [Rs. Bn.]



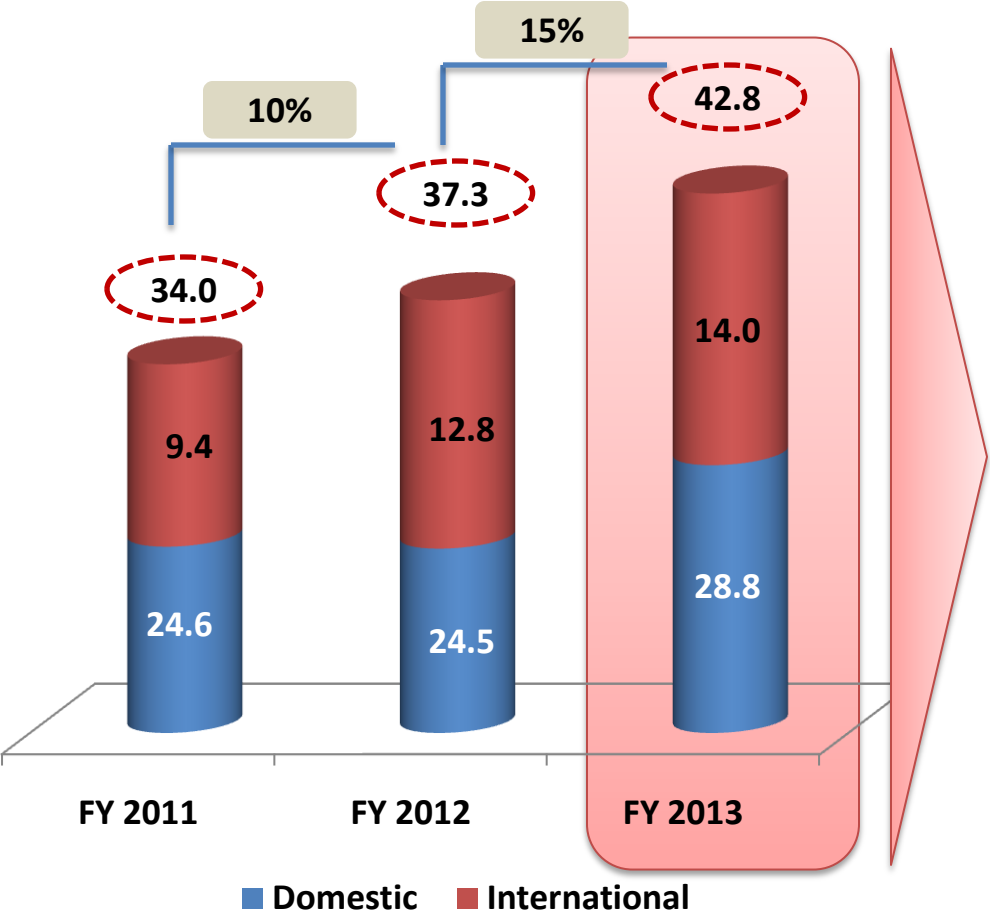
Net Profit [Rs. Mn.]



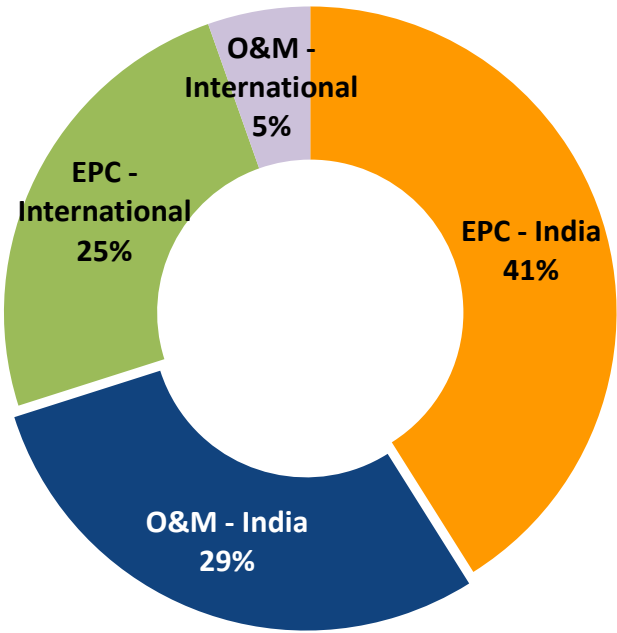
Profitable Growth : Growth in Net Profit higher than Revenue Growth

Consistent Order book growth in challenging times

Order Book [Rs. Bn.]

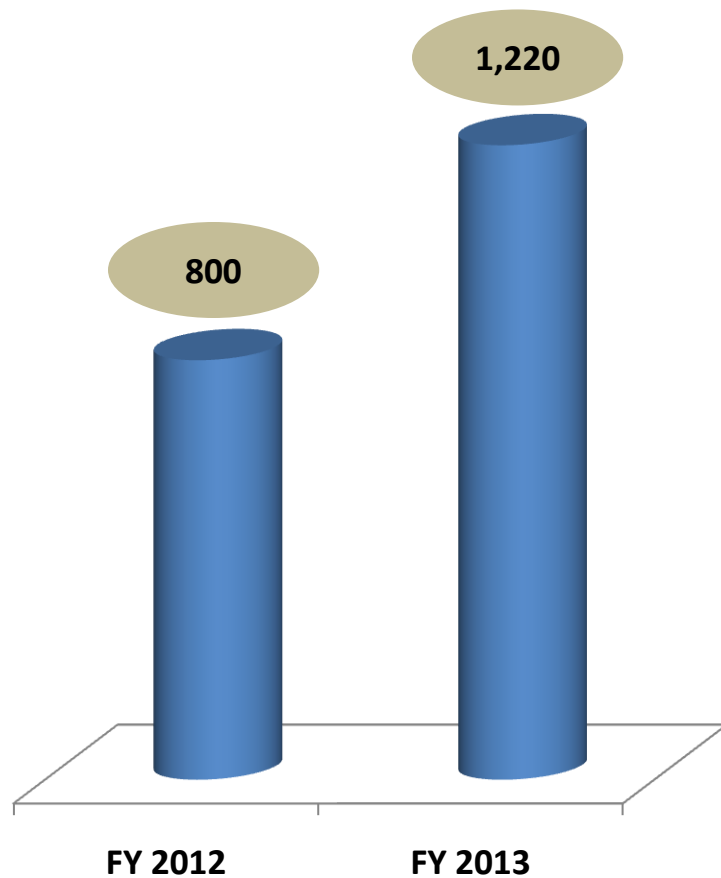


Order Book Break up



Increase in Average Order Size

52 % Increase in ticket size [Rs. Mn.] *



Petrobrazi, Romania

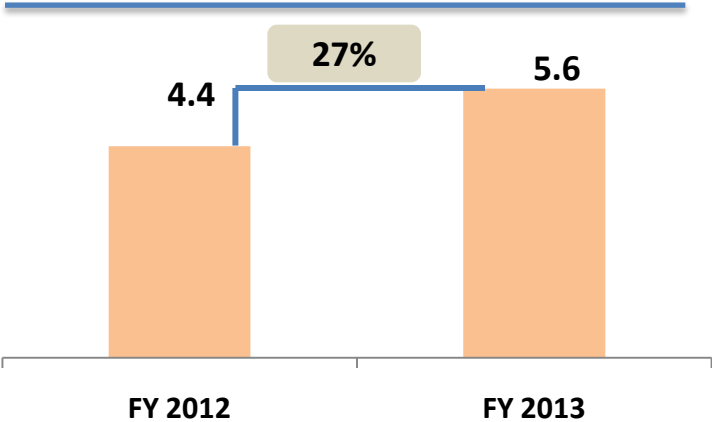
Domestic & Global Business Model

	Domestic Business (India)	International Business
Target Market & Wabag Presence	<ul style="list-style-type: none"> • Large market size • Wabag established for more than 15 years & achieved critical mass 	<ul style="list-style-type: none"> • Medium – Small market size • Shifting from Centralized High Cost operation to Decentralized Low Cost operation
Business Model	<ul style="list-style-type: none"> • Strategic Business Units (SBUs) • Municipality / Industrials / O&M / Desalination • To focus on each business vertical as they have achieved critical mass • Separate & dedicated team for each segment • Gain domain expertise in technology and project management function 	<ul style="list-style-type: none"> • Multi Domestic Units (MDUs) • Turkey / Saudi Arabia / Algeria / Philippines / Sri Lanka / Romania / China / Spain • To focus on market with local presence across all segments • Local team focusing on getting orders to reach critical mass • Support from India, Austria & Swiss on Technology & Project management

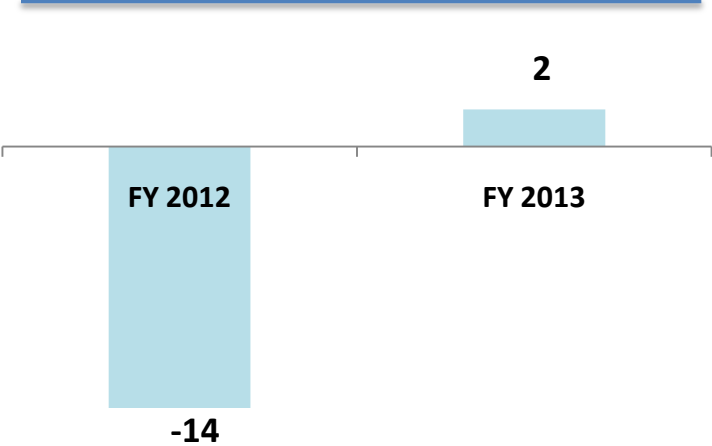
Leveraging Scarce Technology Resources to maximize benefit in Global business

International Business started yielding results

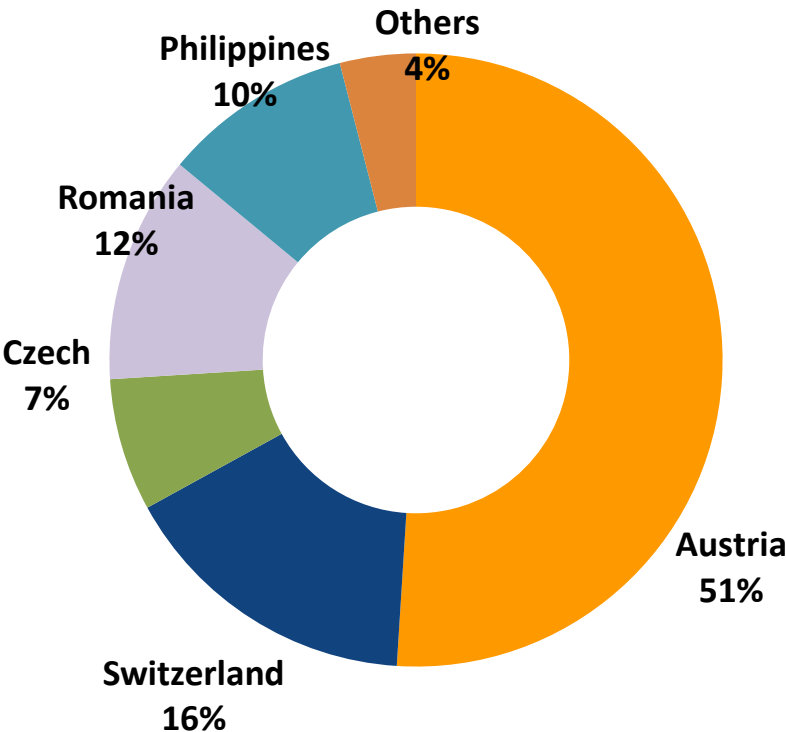
Revenue Growth [Rs. Bn.]



Net Profit [Rs Mn.]



International Order Backlog [Rs 14.0 Bn.]



Successful Commissioning of Nemmeli (Chennai) Desalination Plant

- Key highlight of the Project
 - Total Area of the plant : 81,000 sq. m
 - Configuration : 100,000 cu.m / day, RO
 - Operation and Maintenance : For 7 years
 - Raw water quality : 40,000 ppm (TDS)
 - Product water quality : 300 ppm (TDS)
- Successfully commissioned Project in less than 36 months despite of many project related challenges
- Hon'ble Chief Minister of Tamil Nadu inaugurated plant in Feb 13
 - Announced Capacity Expansion at the same location
- Water supply from the plant has begun, taking care of 10-12% of the city's requirement

Important reference point in Desalination Business



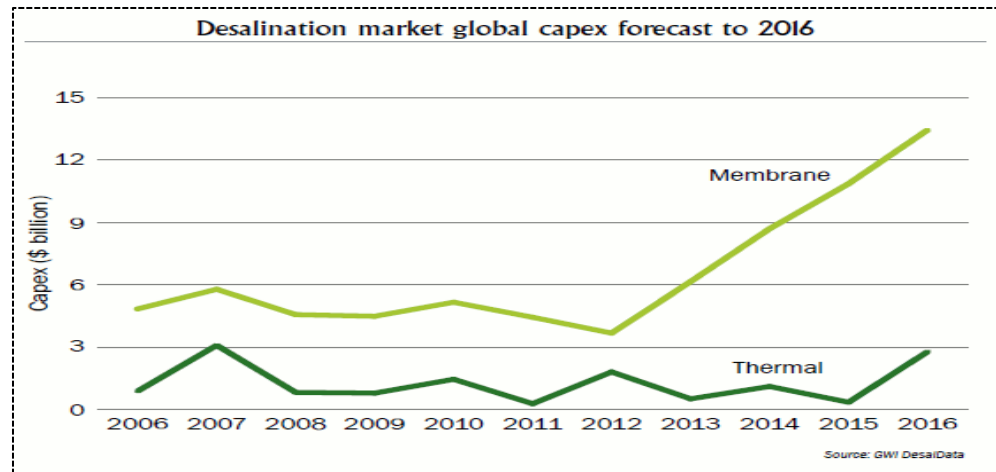
Sumitomo Order - Strengthens Wabag's Position in the Segment

191 MLD Desalination Plant in Oman

- Wabag along with Cadagua (Spain) & Gulfar (Oman) awarded EPC and O&M of the Project
 - Project modeled on BOOT basis to consortium of Sumitomo (Japan) & Malakoff (Malaysia) and Cadagua (Spain)
- Project to be executed in 24 months
 - Engineering and Procurement work already commenced in Dec 12

Strengthen WABAG's Position in fastest growing segment

Projected Growth in Desalination Market

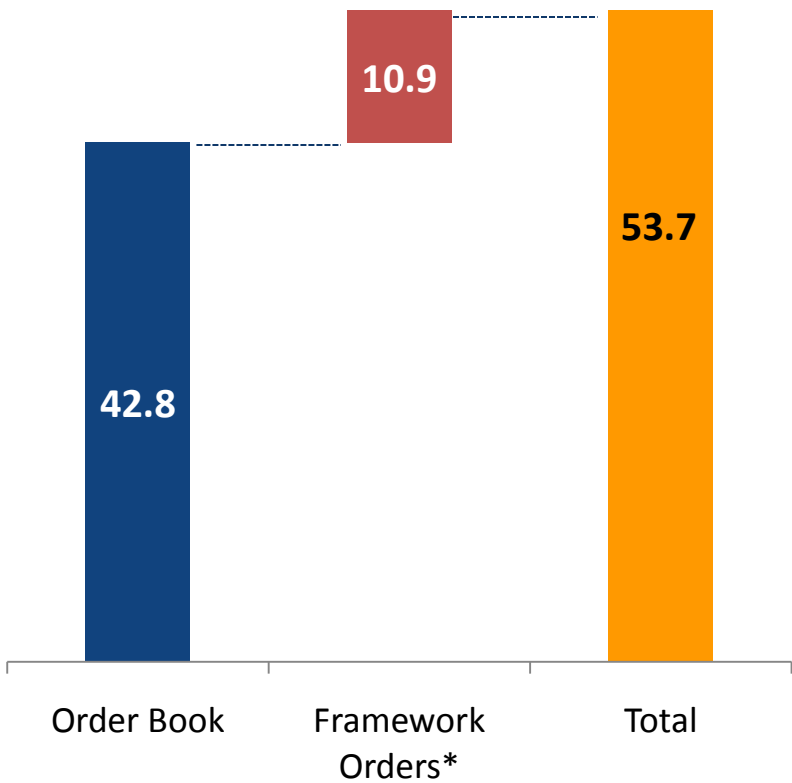


India – Focusing on Desalination

- Desalination capacity to reach ~5,350 MLD by 2018 from the current 900 MLD, CAGR of 30%
- Chennai - Capital of Desalination Project
 - Two operational project of 100 mld each
 - Announced 2 more with 350 mld cumulative capacity

Guidance for FY 2014

Current Order Book [Rs. Bn.]



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

Revenue Guidance

Rs. 18.5 bn. – 19.5 bn.

Growth of 15% to 20% y-o-y

Order Intake

Rs. 26.0 bn. – 27.0 bn.

Growth of 20% to 25% y-o-y

FINANCIAL HIGHLIGHTS

RESULTS OVERVIEW – Consolidated Profit and Loss

Rs. Millions	Q4 FY 13	Q4 FY 12	FY 13	FY 12	YoY %
Income	6,855	6,744	16,189	14,435	12%
Cost of Sales	5,148	5,049	11,747	10,422	
Total Cost of Operations(TCO)	806	788	2,892	2,713	
EBITDA	901	907	1,549	1,300	19%
EBITDA margin	13.1%	13.4%	9.6%	9.0%	
Interest & Finance Charges (Net)	27	36	88	104	
Depreciation & Amortization	30	24	109	86	
Tax	244	249	456	379	
Profit After Tax	604	604	903	738	22%
PAT margin	8.8%	9.0%	5.6%	5.1%	
EPS [Rs.]			34.1	27.9	

Advantage Wabag – Indian Cost Arbitrage

RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q4 FY 13	Q4 FY 12	FY 13	FY 12	YoY %
Income	5,082	5,204	10,572	10,035	5%
Cost of Sales	3,998	4,107	8,172	7,910	
Total Cost of Operations(TCO)	312	343	1,011	970	
EBITDA	772	754	1,388	1,154	20%
EBITDA margin	15.2%	14.5%	13.1%	11.5%	
Interest & Finance Charges (Net)	-2	6	-10	-3	
Depreciation & Amortization	19	15	66	57	
Tax	244	232	432	349	
Profit After Tax	510	501	901	751	20%
PAT margin	10.0%	9.6%	8.5%	7.5%	

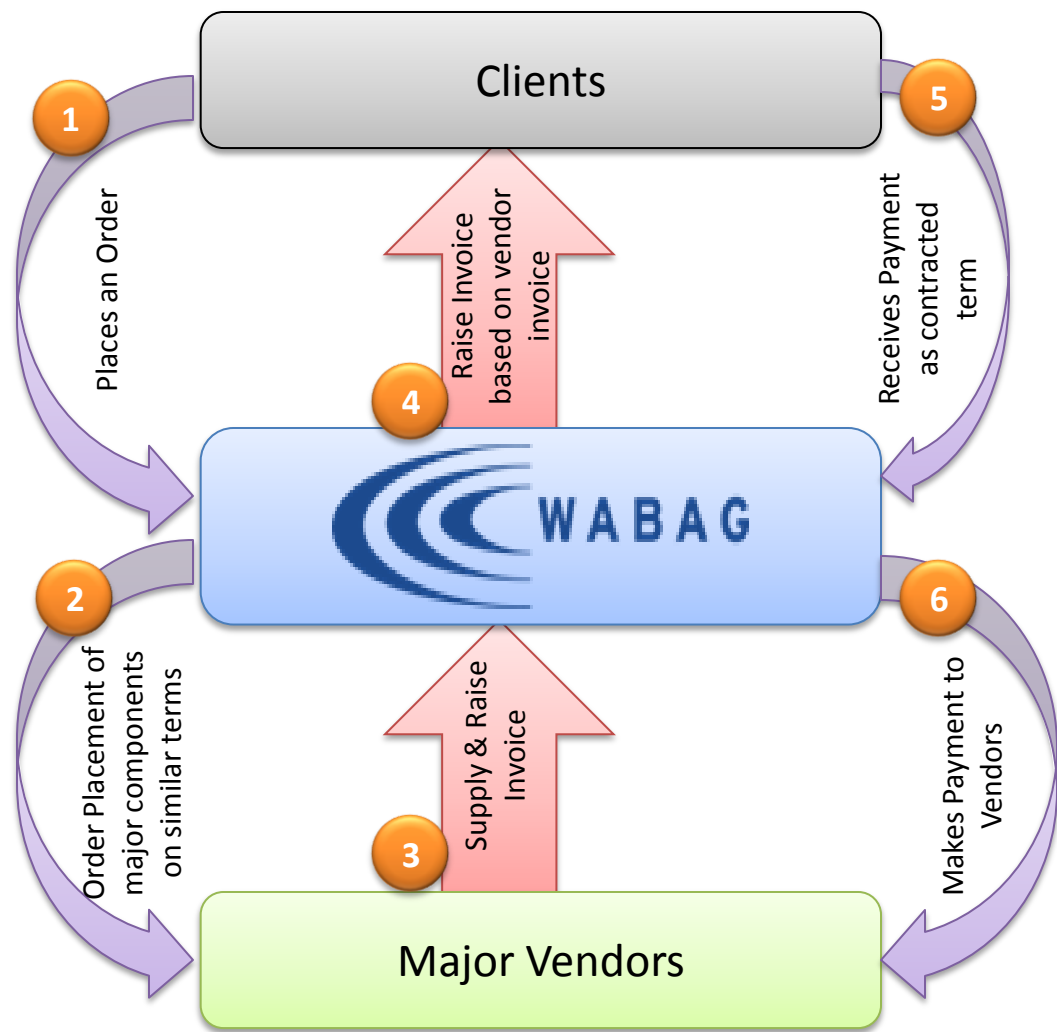
On consistent growth path ...

RESULTS OVERVIEW – Balance Sheet

Rs. Millions	Mar'13	Mar '12	Mar'13	Mar '12
	Consolidated		Standalone	
Net Worth	7,154	6,420	5,366	4,663
Minority Interest	19	10		
Non-Current Liabilities	1,147	780	853	546
Trade Payables	6,890	6,377	5,336	4,962
Other Current Liabilities *	3,696	4,153	1,975	2,553
Total Liabilities	18,906	17,740	13,530	12,724
Fixed Assets	988	688	713	567
Other Non-Current Assets **	1,517	981	1,600	1,065
Trade Receivables	11,095	10,926	7,823	7,924
Cash & Bank Balances	2,867	3,383	1,714	1,837
Other Current Assets	2,439	1,764	1,681	1,331
Total Assets	18,906	17,740	13,530	12,724

Attractively Asset Light Business Model ...

Working Capital Cycle



- Receivable & Payables are higher on Balance Sheet day
 - Q4 generally accounts for 40-45% of annual turnover
 - Invoice raised & recognized as Revenue appear in Receivable are not due for payment as per contract
 - Same is the case for Payables for major Vendors
 - Receives payment & makes payment as per contracted terms in due course of time

RESULTS OVERVIEW – Working Capital Highlights

Rs. Millions	Mar'13	Mar '12
Inventories	405	499
Trade Receivables	11,095	10,926
Loans and Advances	1,115	833
Cash & Bank Balances	2,867	3,383
Other Current Assets	919	432
Total Current Assets (A)	16,401	16,072
Short-term borrowings	796	1,244
Trade Payables	6,890	6,377
Other Current Liabilities and Provisions	2,900	2,909
Total Current Liabilities (B)	10,586	10,530
Net Working Capital (NWC) (A-B)	5,814	5,542
Net Working Capital with Cash (No. of Days)	131	140

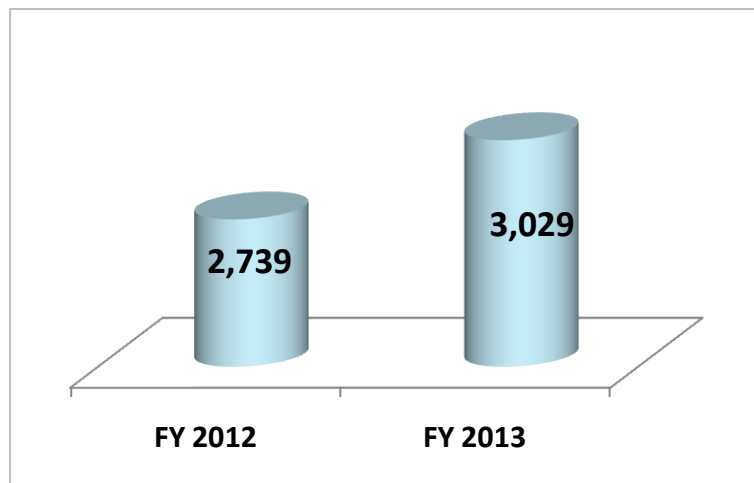
66 Days Net Working Capital excluding Cash for FY 2013

Increase in Net Cash Balance

Increase in Net Cash [Rs. Mn.]

	Mar'13	Mar '12
Cash & Bank Balance	2,867	3,383
Fixed Deposits *	958	600
Gross Cash Balance	3,825	3,983
Borrowings	796	1,244
Net Cash	3,029	2,739

* Part of Other Non Current Assets



ANNEXURE

Revenue breakup – FY 2013

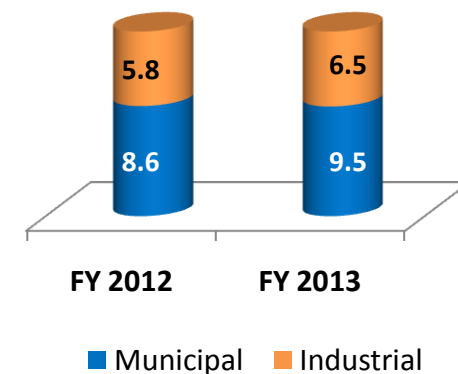
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	4,710	4,684	551	464	10,410
Wabag Overseas	3,051	908	1,160	491	5,610
Total	7,761	5,593	1,711	955	16,021

Key Projects contributing to Revenue

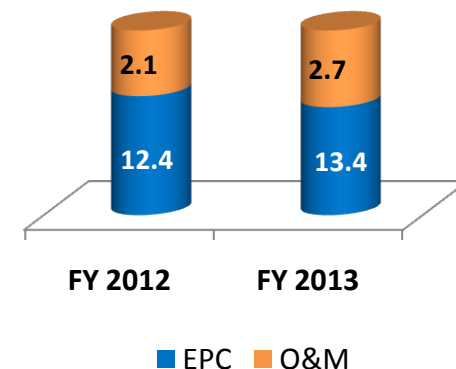
Revenue recognized [Rs Mn]

Reliance ETP Project	1,654
Nemmeli Desalination Project, Chennai	1,018
Water Treatment Plant & distribution system, Sri Lanka	988
DJB, Papankalan	973
APGENCO for Kakatiya & Rayalaseema BoP	883
Majis, Oman	634
Water Treatment Plant for Surat Municipal Corporation	529
O&M Project at Tehran	433
Shiraz, Austria	313
O&M Project at Adana, Turkey	303

Municipal vs Industrial [Rs Bn]



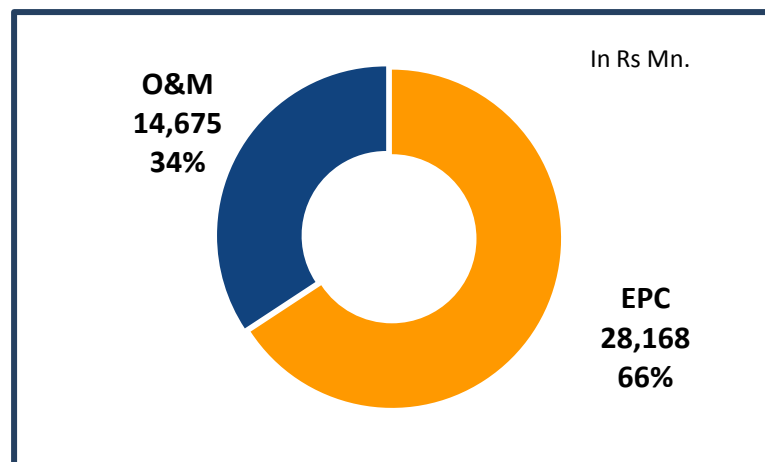
EPC vs O&M [Rs Bn]



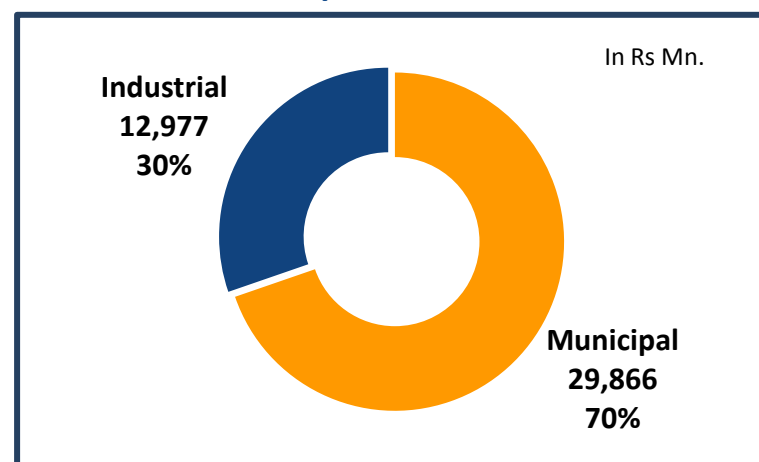
Current Order Book

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	6,309	10,137	10,978	1,383	28,807
Wabag Overseas	10,649	1,072	1,930	384	14,036
Total	16,958	11,209	12,908	1,768	42,843
Framework Contracts					10,900
Total With Framework					53,743

EPC vs O&M



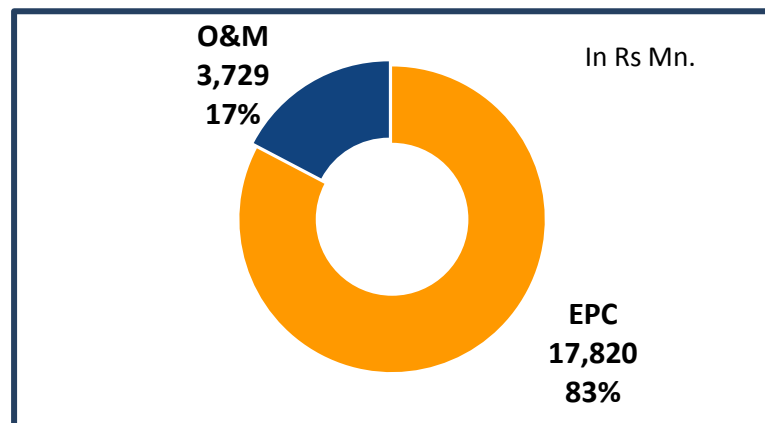
Municipal vs Industrial



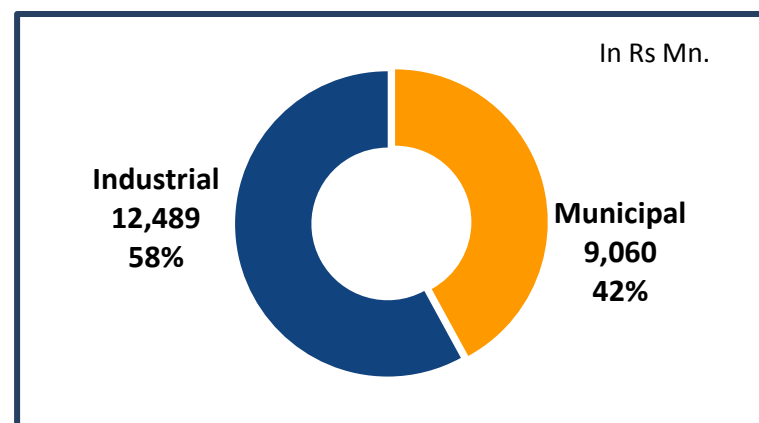
Order Intake – FY 2013

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	3,044	9,785	851	1,148	14,827
Wabag Overseas	3,988	1,003	1,177	554	6,722
Total	7,032	10,788	2,028	1,701	21,549
Framework Contracts					3,339
Total including framework					24,888

EPC vs O&M



Municipal vs Industrial



Order Book of Rs. 42.8 Bn & Framework Contracts of Rs. 10.9 Bn

Key Contracts in Orderbook

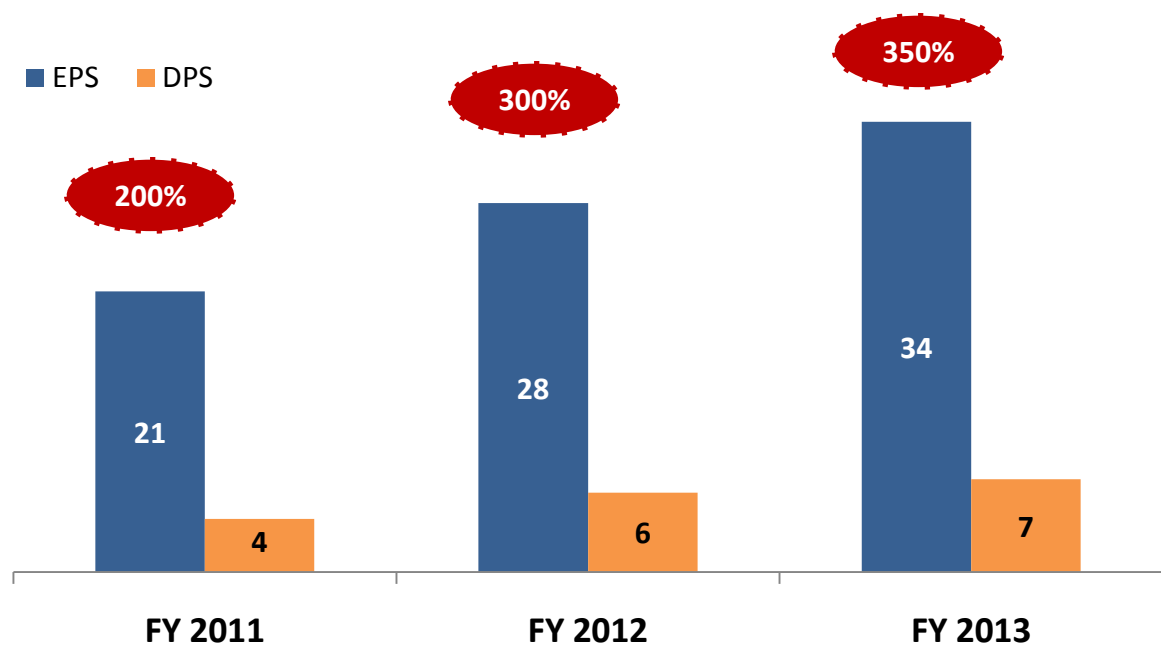
Project Details	Amt [Rs. Bn]
▪ Nemmeli Desalination Project, Chennai	5.0
▪ 191MLD SWRO–Al Ghubrah, Oman	3.8
▪ 195 MLD WTP for Ulhasnagar Municipal Corporation with O&M for 30 years	2.3
▪ Bangalore Water Supply and Sewerage Board	2.0
▪ Water Treatment Plant & distribution system, Sri Lanka	1.7
▪ Waste Water Treatment Plant in Philippines	1.3
▪ Reliance ETP Project	0.7

Key Framework Contracts *

- 192 MLD WTP for Aurangabad Municipal Corporation with 17 years O&M EPC Rs. 550 mn and Rs. 720 mn for O&M
- Libya Order of EUR 90 mn
- Madinaty, Egypt Order of Rs. 1.1 bn
- Chennai Metropolitan Project of Rs. 1.1 bn

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

Dividend Track Record



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



For further information, please contact

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