

Committed to create a
**BETTER
TOMORROW**



sustainable solutions. for a better life.



VA TECH WABAG LTD

Results Update Presentation

Q1 FY 2020 - 21

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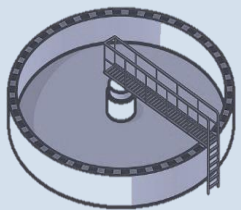
Complete Water Treatment Solution Provider...

- ✓ Provides a complete range of Water and Waste Water Treatment solutions
- ✓ Offering spanning across Municipal Drinking Water, Municipal Sewage, Industrial Water, Industrial Effluents, Desalination and Recycle
- ✓ Technology focused company - Owns more than 90 patents
- ✓ R&D centers located in India, Austria and Switzerland
- ✓ Indian Multinational player in the water treatment industry
- ✓ Strong execution track record - More than 2300 projects in last 3 decades
- ✓ Professionally managed Company with Promoters having an average of 30 years work experience in the industry

Range of Solutions offered in Water Space

Sewage Water Treatment

- Activated Sludge Process
- Sequential Batch Reactors
- Membrane Bed Bio Reactor
- Upflow Anaerobic Sludge Blanket Reactor
- Bio Active Fixed Film Technology
- Submerged Membrane System
- Stabilization Pond



Drinking Water Treatment

- Aeration
- Sedimentation
- Filtration
- Disinfection
- Sludge Dewatering



Industrial Water Treatment

- Raw water pre treatment
- Filtration Plants
- Nano / Ultra Filtration
- Softening Plants
- Thermal Desalination of sea water treatment
- Demineralization
- Tertiary Treatment System/ Effluent Recycling



Industrial Wastewater Treatment

- Physico Chemical Treatment
- Neutralization and primary sedimentation and grit removal
- Biological anaerobic treatment
- Tertiary Treatment – activated carbon/ sand filtration, disinfection
- Zero Liquid Discharge



Desalination

- Multi Stage Flash
- Multi-effect distillation
- Thermal Vapor Compression
- Mechanical Vapor Compression
- Reverse Osmosis and Electro dialysis



Recycling

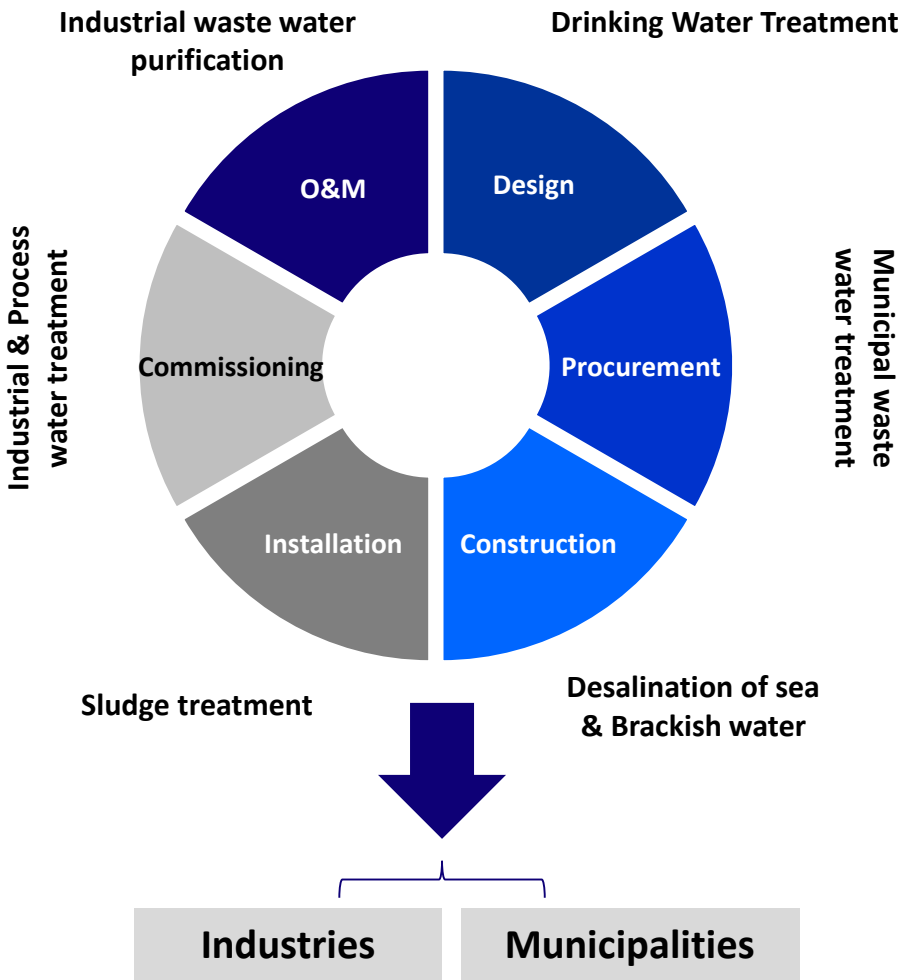
- Micro filtration
- Membrane Bio Reactors
- Ultra Filtration
- Reverse Osmosis
- Zero Liquid Discharge



Complete Water Treatment Solution Provider...

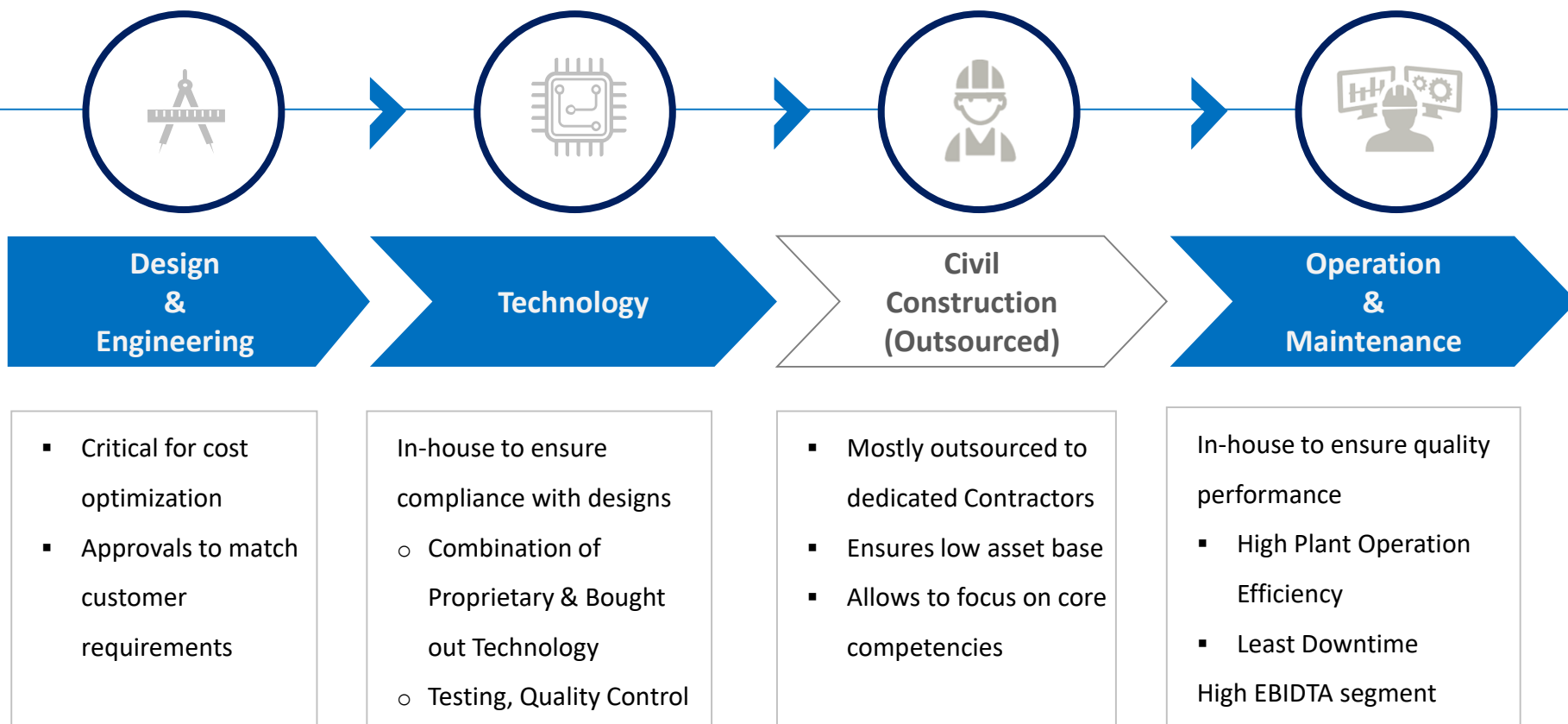
... With complete portfolio of Water Solutions with technological and operational expertise . .

... through various business/ delivery model



- Engineering, Procurement, Construction (EPC)
- Operation & Maintenance (O&M)
- Design Build Operate (DBO)
- Build Own Operate Transfer (BOOT)
- Hybrid Annuity Model (HAM)

Asset light business model



Focus on 'Value-Added & High Margin' work processes; Limits investment in Asset Base

Global Recognition

**Winner of
Global Water Awards 2020**



GLOBAL WATER AWARDS

**Koyambedu Tertiary Treatment Reverse Osmosis (TTRO) Plant
Chennai, India**



**WABAG bagged Distinction Award
under Wastewater Project of the Year**

Thank You!

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**10
2017**

**6
2019**

**WABAG ranked No. 6 globally by GWI for catering
to over 48 million people across the globe.**

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Key Highlights Q1 FY 20 - 21

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Quarterly Performance & Business Updates

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Order Book Analysis

Key Highlights Q1 FY 21



- **Order Book of INR 111 Bn**
including framework orders
- **Order Intake of over INR 4.4 Bn**
- **Consolidated Revenue at INR 4.3 Bn**
- **Consolidated EBITDA at INR 289 Mn**
- **Consolidated PAT at INR 51 Mn**



KUKL Guheshwori, Nepal

Quarterly Performance



RESULTS OVERVIEW – Consolidated Profit and Loss

Rs. Millions	Q1 FY 21	Q1 FY 20	YOY %
Revenue from operations	4,309	4,565	(5.6%)
Cost of Sales	3,256	3,266	(0.3%)
Total Cost of Operations (TCO)	764	924	(17.3%)
EBITDA	289	375	(23.0%)
<i>EBITDA margin</i>	6.7%	8.2%	
Net Interest Cost	98	133	(25.9%)
Bank Charges	103	127	(18.4%)
Depreciation & Amortization	29	35	(17.4%)
Tax	23	85	(73.1%)
(Share of Profits) / NCI (Net)	(15)	(31)	(49.7%)
Profit After Tax (Owners)	51	26	93.6%
<i>PAT margin</i>	1.2%	0.6%	

- EPC revenues deferred on account of slower project progress due to lockdown
- O&M continued to operate at full capacity
- Lower TCO driven by reduced levels of business operation
- Reduction in Net Finance Cost as a result of reduced debt level Y-o-Y

RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q1 FY 21	Q1 FY 20	YOY %
Revenue from Operations	2,817	3,240	(13.1%)
Cost of Sales	2,136	2,198	(2.8%)
Total Cost of Operations (TCO)	440	579	(24.1%)
EBITDA	241	463	(48.0%)
<i>EBITDA margin</i>	8.5%	14.3%	
Net Interest Cost	85	102	(16.9%)
Bank Charges	86	72	18.7%
Depreciation & Amortization	15	17	(7.1%)
Tax	14	73	(81.0%)
Profit After Tax	41	199	(79.5%)
<i>PAT margin</i>	1.4%	6.2%	

- EPC revenues driven by slower project progress due to COVID-19
- O&M continued to operate at full capacity
- Lower TCO driven by reduced levels of business operation
- EBITDA driven by project phase; Q1 FY 20 driven by new projects in engineering stage

Update on GENCO Projects

TSGENCO Rs. 1,385 Mio

- Tecpro is endeavoring to initiate arbitration with TSGENCO
- The Company and TSGENCO have challenged the same in Supreme Court and obtained an interim injunction order and expect quashing in the next hearing

Tecpro Rs. 695 Mio

- Pursuing legal action to recover dues from Tecpro held under trust
- Expect to recover these dues through National Company Law Tribunal post the ruling in National Company Law Appellate Tribunal

APGENCO Rs. 2,618 Mio

- Receivables and retentions relating to APGENCO project are recoverable progressively upon satisfactory completion of the contractual milestones

The COVID-19 pandemic and the lockdown imposed by the Governments, resulted in delays in NCLT & legal proceedings and also impacted the project progress and collection

Core Profitability is continuously on the rise

Income Statement	FY 19	FY 20
Reported Revenues from Operations	27,232	25,230
Core Revenues from Operations	26,414	25,100
Reported EBITDA	1,942	2,268
Reported PAT	1,050	910
Reported EBITDA %	7.0%	8.9%
Reported PAT %	3.8%	3.6%
Core EBITDA	2,369	2,929
Core PAT	1,328	1,404
Core EBITDA %	8.8%	11.5%
Core PAT %	4.9%	5.5%

- **Healthy operating profit** performance from core business
- Key impact on financials has been the GENCO projects which is *“non-core”* business for WABAG
- Revenues driven by project progress; Order backlog currently at over **EUR 1.3 Bn, highest ever** in WABAG History
- Revenues have started to pick up pace as we progress on the new projects in order book

Core RoCE strong and NWC status improving

Net Working Capital	FY 19	FY 20
Reported Net Working Capital	9,750	8,781
Core Net Working Capital	6,145	5,342
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Reported Working Capital Days	130	127
Core Working Capital Days	85	78

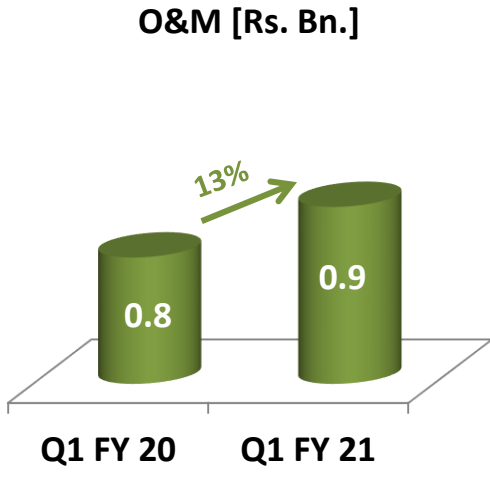
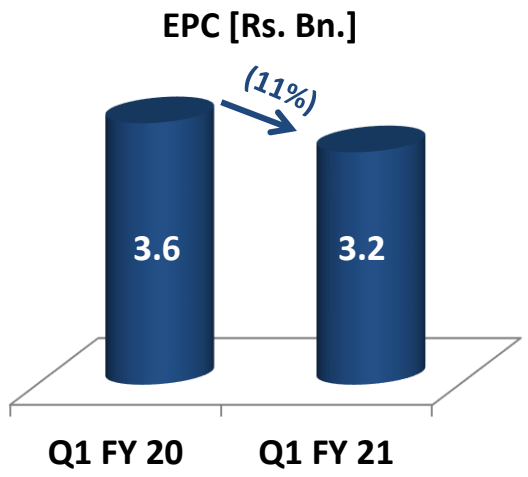
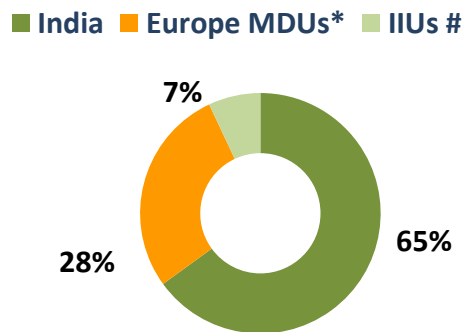
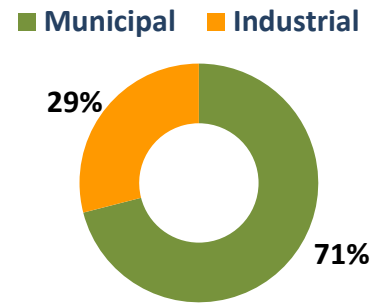
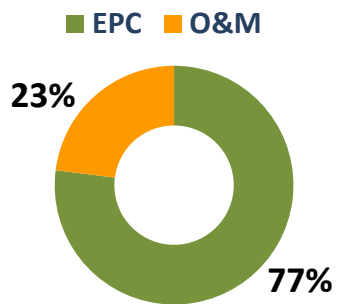
- Working Capital days improving due to focused cash flow management efforts
- Core working capital at 78 days** well comparable to peer group

Return on Capital Employed (RoCE)	FY 19	FY 20
Reported EBIT	1,774	2,114
Core EBIT	2,201	2,775
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Reported Capital Employed	16,989	16,918
Core Capital Employed	11,222	11,586
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Reported RoCE %	10.7%	12.5%
Core RoCE %	20.7%	24.3%

- Core RoCE at 24.3%** → intact and improving
- WABAG's Core business performance in line with the **Asset Light** strategy

Revenue Breakup – Q1 FY 21

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	1,192	815	629	91	2,727
Wabag Overseas	936	300	230	21	1,487
Total	2,128	1,115	859	112	4,214



Key Projects Contributing to Revenue – Q1 FY 21

Project Details	Revenue recognized [Rs. Mn]
▪ Expansion SWTP 9, Jubail, KSA – STP	545
▪ South Doha, Qatar – STP	470
▪ UPJN, O&M of Agra & Ghaziabad	288
▪ MRPL, Karnataka – Desal	235
▪ Dangote, Nigeria - ETP & RWTP	231
▪ JAJMAU, Kanpur – CETP	192
▪ Purolite, Romania – ETP	191
▪ Ismailia, Egypt – STP	158
▪ 50 MLD Zarat, Tunisia – Desal	140
▪ NMDC Nagarnar, India – ZLD	134

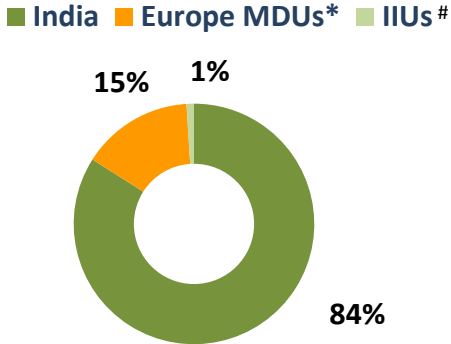
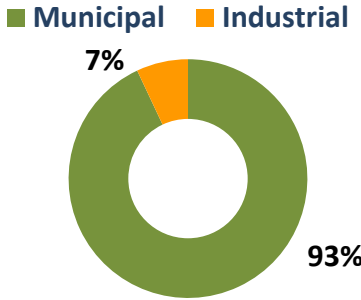
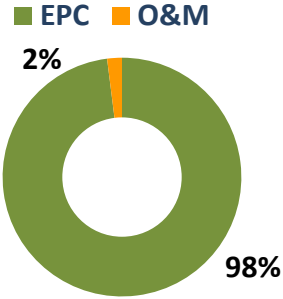
Order Book Analysis



Order Intake Breakup

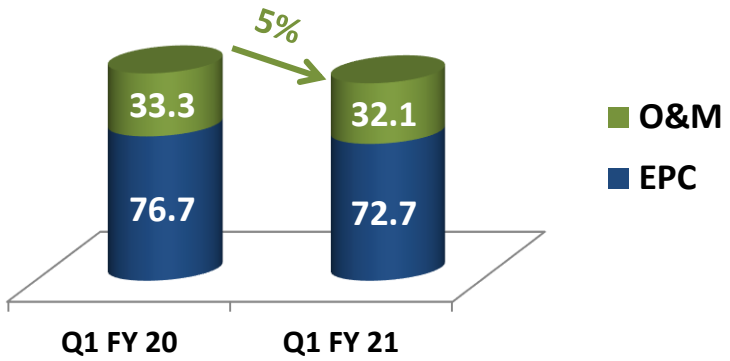
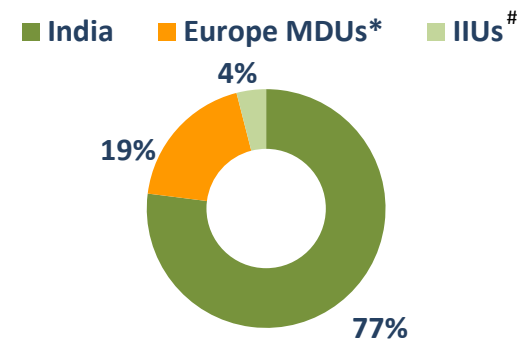
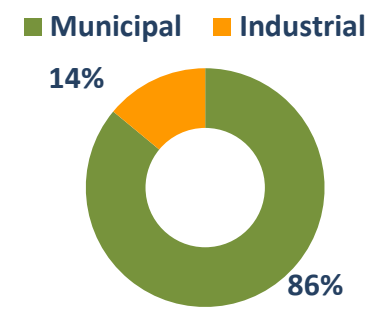
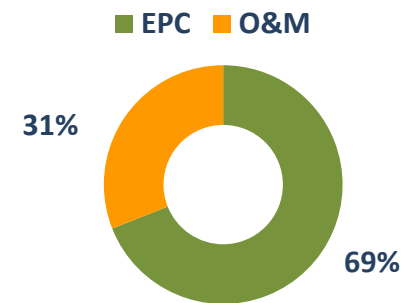
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	3,638	-	90	1	3,729
Wabag Overseas	367	324	-	4	695
Total	4,005	324	90	5	4,424

Key Orders Received	Order Value (Rs. Mn.)
Jeddah Airport, Saudi Arabia - STP	3,614



Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	25,665	10,235	24,805	1,859	62,564
NMCG (SPVs)					
- EPC	7,947	-	1,453	-	9,400
- HAM	5,869	-	2,358	-	8,227
Wabag Overseas	19,989	2,232	1,670	100	23,991
Framework Contracts					6,996
Total	59,650	12,467	30,196	1,959	111,178



Order Book of Rs. 104.1 Bn & Framework Contracts of Rs. 6.9 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
▪ UPJN, O&M of Agra & Ghaziabad	14,125
▪ BUIDCO, Digha & Kankarbagh – STP & Network	11,878
▪ Expansion SWTP 9, Jubail, KSA – STP	5,899
▪ KMDA, Howrah – STP	5,748
▪ 50 MLD Zarat, Tunisia – Desal	5,053
▪ JAJMAU, Kanpur – CETP	3,911
▪ Jeddah Airport, KSA – STP	3,614
▪ South Doha, Qatar – STP	2,644
▪ MRPL, Karnataka – Desal	2,642
▪ Water Supply System, Bhagalpur, India – WTP & Network	2,446

Key Framework Contracts *

- Libya STP of Rs. 6,114 Mn
- Koye Fetche, Ethiopia of Rs. 882 Mn

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

Guidance for FY 21

We are monitoring the economic situation globally and will update at an appropriate time



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