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VA TECH WABAG LTD.

RESULT UPDATE PRESENTATION

Q2 FY 2019 - 20

Safe Harbour

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Business Overview

Refinery and Petrochemical Integrated Development Project (RAPID), Pengerang, Johor, Malaysia

Key Highlights Q2 FY 20

Key Highlights

- Consolidated Revenue at INR 10.9 Bn
- Consolidated PAT at INR 297 Mio
- Order Intake of over INR 30.4 Bn
- Order Book of INR 115 Bn
  including framework orders

Izmir Kavaklidere Water Treatment Plant, Turkey

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Quarterly Performance

RESULTS OVERVIEW – Consolidated Profit and Loss

Rs. Millions	Q2 FY 20	Q2 FY 19	YOY %	H1 FY 20	H1 FY 19	YOY %
Revenue from operations	**6,361**	**7,520**	**(15.4%)**	**10,927**	**14,398**	**(24.1%)**
Cost of Sales	4,768	5,963	(20.0%)	8,035	11,114	(27.7%)
Total Cost of Operations (TCO)	940	928	1.3%	1,864	2,245	(16.9%)
EBITDA	**653**	**628**		**1,028**	**1,040**	
EBITDA margin	***10.3%***	***8.4%***		***9.4%***	***7.2%***	
Net Finance Cost	246	172	43.4%	507	314	61.4%
Depreciation & Amortization	43	42	2.6%	78	85	(7.8%)
Tax	128	141	(9.8%)	213	242	(12.1%)
Share of Profits from Associates / MI *(Net)*	35	86	(58.6%)	67	90	(25.6%)
Profit After Tax (Owners)	**271**	**359**		**297**	**488**	
PAT margin	***4.3%***	***4.8%***		***2.7%***	***3.4%***	

- Project progress picked up in Q2 FY 20, especially on new key projects
- Revenue de-growth driven by key overseas projects (AMAS and RAPID) completed, subdued Europe performance
- Improved operating margins as a result of margin expansions from projects in engineering and procurement phase

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RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q2 FY 20	Q2 FY 19	YOY %	H1 FY 20	H1 FY 19	YOY %
Revenue from Operations	**4,428**	**5,209**	**(15.0%)**	**7,668**	**8,611**	**(10.9%)**
Cost of Sales	3,481	4,088	(14.9%)	5,679	6,585	(13.8%)
Total Cost of Operations (TCO)	456	599	(23.9%)	1,035	1,210	(14.5%)
EBITDA	**491**	**523**		**954**	**816**	
EBITDA margin	***11.1%***	***10.0%***		***12.4%***	***9.5%***	
Net Finance Cost	196	107	83.6%	371	192	93.2%
Depreciation & Amortization	18	21	(16.8%)	35	43	(20.1%)
Tax	98	138	(29.3%)	170	204	(16.4%)
Profit After Tax	**180**	**256**		**378**	**377**	
PAT margin	***4.1%***	***4.9%***		***4.9%***	***4.4%***	

- Revenue de-growth on account of new projects in startup phase and expected to pickup from Q3 FY 20 onwards
- Higher EBITDA margin on account of margin expansion in existing projects and also new projects in engineering phase
- Increase in net finance cost mainly driven by higher WCDL borrowing as mandated by banking regulations; higher BG & LC charges due to new projects

RESULTS OVERVIEW – Balance Sheet

Rs. Millions	Consolidated		Standalone	
	Sep'19	Mar'19	Sep'19	Mar'19
Total Equity (Net Worth)	11,083	10,856	9,546	9,167
Non-Current Liabilities	2,578	2,732	2,076	2,135
Trade Payables	15,072	15,914	11,027	11,145
Short Term Borrowings	4,987	4,841	3,890	3,410
Other Current Liabilities	3,925	3,442	2,442	2,237
Total Equity & Liabilities	**37,645**	**37,785**	**28,981**	**28,094**
Fixed Assets	1,507	1,570	765	794
Other Non-Current Assets	5,585	5,314	5,481	5,009
Trade Receivables	13,943	13,511	12,305	12,317
Cash & Bank Balances	2,631	1,790	1,303	734
Other Current Assets	13,979	15,600	9,127	9,240
Total Assets	**37,645**	**37,785**	**28,981**	**28,094**

Cash Flow Statement

Rs. Millions	Consolidated		Standalone	
	H1 FY 20	H1 FY 19	H1 FY 20	H1 FY 19
Operating profit before working capital changes	1,069	1,376	997	1,046
Net cash generated from/(used in) operations	**1,188**	**(153)**	**456**	**15**
Net cash generated from/(used) in investing activities	(73)	157	(102)	(16)
Net cash generated from financing activities	(225)	(179)	140	12
Net change in cash and cash equivalents	**890**	**(176)**	**494**	**11**
Cash and cash equivalents at the end	**2,050**	**1,308**	**796**	**294**

RESULTS OVERVIEW – Working Capital Highlights

Rs. Millions	Sep'19	Mar'19	Sep'18
Inventories	228	153	395
Trade Receivables	13,943	13,510	14,626
Loans and Advances	499	446	414
Other Current Assets	13,252	14,997	16,461
Total Current Assets (A)	**27,921**	**29,106**	**31,896**
Trade Payables	15,072	15,914	16,213
Other Current Liabilities and Provisions	3,925	3,442	4,012
Total Current Liabilities (B)	**18,997**	**19,356**	**20,225**
Net Working Capital (NWC)	**8,924**	**9,750**	**11,671**
Net Working Capital (No. of Days)	134	130	122

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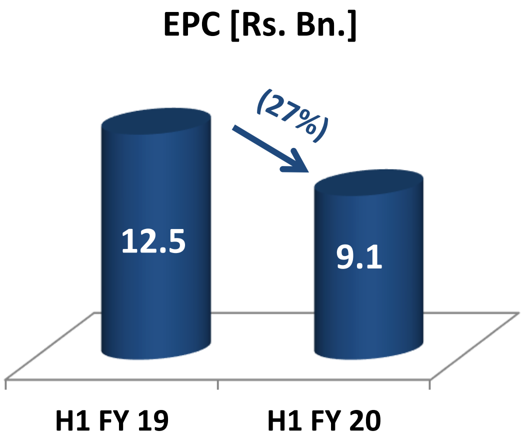
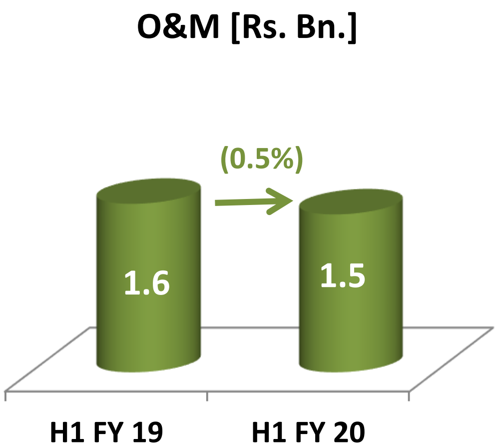
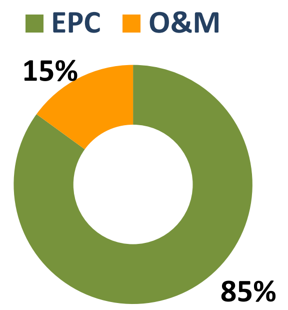
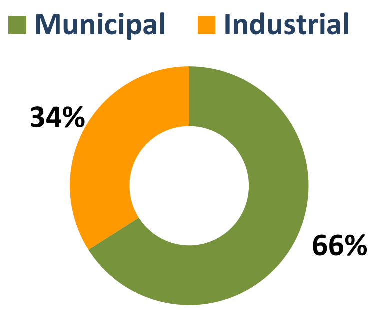
Revenue Breakup – H1 FY 20

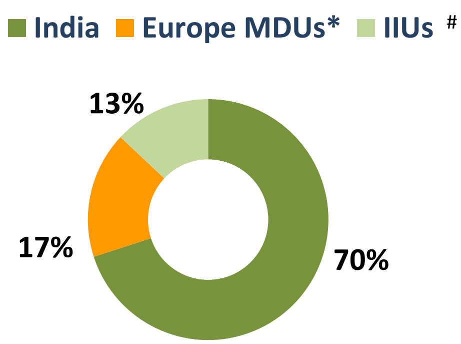
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	3,946	2,804	678	116	7,544
Wabag Overseas	1,838	564	636	158	3,196
Total	**5,784**	**3,368**	**1,314**	**274**	**10,740**











* Multi Domestic Units
\# India International Units

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Key Projects Contributing to Revenue – H1 FY 20

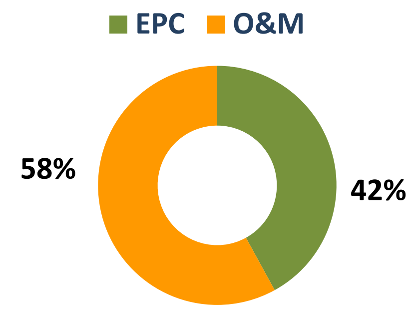
Project Details	Revenue recognized [Rs. Mn]
▪ Dangote, Nigeria - ETP & RWTP	1,280
▪ Koyambedu, Chennai – TTP	819
▪ Expansion SWTP 9, Jubail, KSA – STP	714
▪ Polghawela, Sri Lanka – WTP	698
▪ HMEL, Bathinda – ETP & RWTP	651
▪ MRPL, Karnataka – Desal	517
▪ South Doha, Qatar – STP	466
▪ K&C Valley, Bengaluru – STP	331
▪ La Mesa, Philippines – WTP	331
▪ Barmer, Rajasthan – Integrated Water Supply Project	282

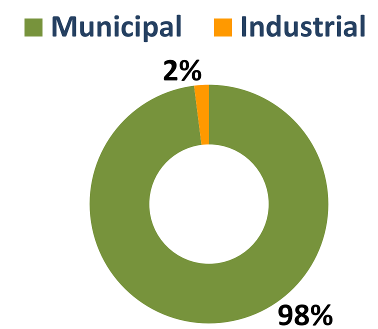
Order Book Analysis

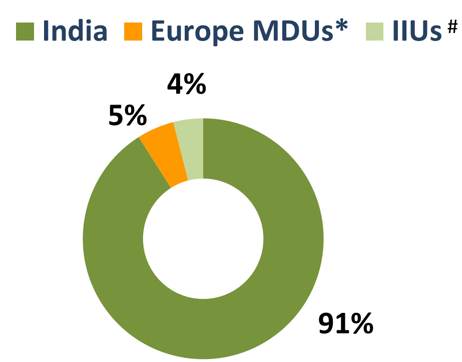
Order Intake Breakup

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	10,415	295	16,862	9	27,581
Wabag Overseas	1,865	178	726	104	2,873
Total	**12,280**	**473**	**17,588**	**113**	**30,454**

Key Orders Received	Order Value (Rs. Mn.)
O&M of Changi Water Reclamation Plant & DBO of TUAS Odour Control System, Singapore	1,017
Thalwil, Switzerland – WTP	771



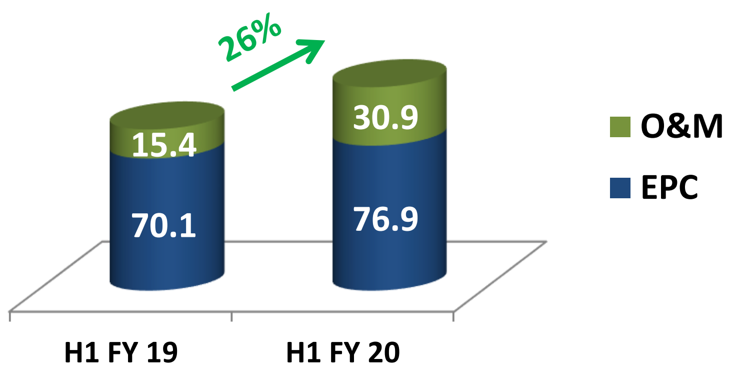


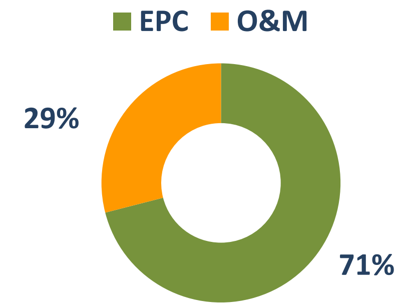


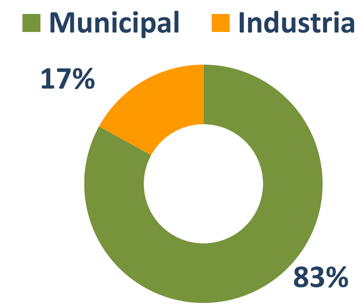
* Multi Domestic Units
\# India International Units

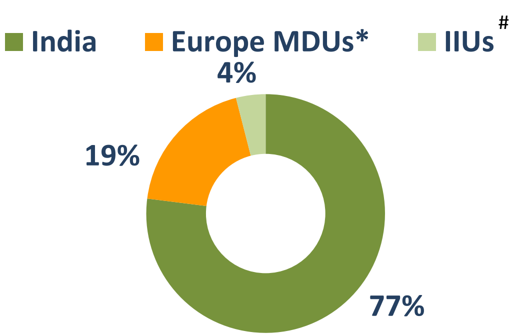
Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	26,646	13,270	23,793	1,878	**65,587**
NMCG (SPVs) **- EPC** **- HAM**	7,947 5,959	- -	1,453 2,268	- -	**9,400** **8,227**
Wabag Overseas	20,557	2,631	1,276	317	**24,781**
Framework Contracts					**6,996**
Total	**61,109**	**15,901**	**28,790**	**2,195**	**114,991**









* Multi Domestic Units
\# India International Units

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Order Book of Rs. 108 Bn & Framework Contracts of Rs. 6.9 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
▪ UPJN, O&M of Agra & Ghaziabad	14,776
▪ BUIDCO, Digha & Kankarbagh – STP Network	11,878
▪ Expansion SWTP 9, Jubail, KSA – STP	7,631
▪ KMDA, Howrah – STP	5,748
▪ 50 MLD Zarat, Tunisia – Desal	5,164
▪ South Doha, Qatar – STP	4,772
▪ JAJMAU, Kanpur – CETP	4,587
▪ MRPL, Karnataka – Desal	3,771
▪ Dangote, Nigeria – ETP & RWTP	3,005
▪ Polgahwela, Srilanka – WTP	2,890

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 20

Revenue : INR 30 Bn - 32 Bn & Order Intake : INR 45 Bn – 50 Bn

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