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# VA TECH WABAG LTD.

RESULT UPDATE PRESENTATION

Q3 FY 2019 - 20

DRIVING **SUSTAINABILITY**  
DELIVERING **VALUE**

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# Business Overview



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



# Key Highlights Q3 FY 20



- Consolidated Revenue at INR 17.7 Bn
- Consolidated PAT at INR 604 Mio
- Order Intake of over INR 40 Bn
- Order Book of over INR 115 Bn  
*including framework orders*



**Izmir Kavaklidere Water Treatment Plant,  
Turkey**

# Quarterly Performance





# RESULTS OVERVIEW – Consolidated Profit and Loss

Rs. Millions	Q3 FY 20	Q3 FY 19	YOY %	9M FY 20	9M FY 19	YOY %
<b>Revenue from operations</b>	<b>6,794</b>	<b>6,619</b>	<b>2.6%</b>	<b>17,721</b>	<b>21,017</b>	<b>(15.7%)</b>
Cost of Sales	5,242	5,073	3.3%	13,277	16,184	(18.0%)
Total Cost of Operations (TCO)	867	1,053	(17.7%)	2,731	3,298	(17.2%)
<b>EBITDA</b>	<b>685</b>	<b>493</b>	<b>39.0%</b>	<b>1,713</b>	<b>1,536</b>	<b>11.5%</b>
<b>EBITDA margin</b>	<b>10.1%</b>	<b>7.4%</b>		<b>9.7%</b>	<b>7.3%</b>	
Net Finance Cost	267	183	45.8%	773	497	55.6%
Depreciation & Amortization	36	41	(12.9%)	114	126	(9.5%)
Tax	132	149	(11.4%)	345	391	(11.8%)
Share of Profits from Associates / MI (Net)	57	34	70.3%	124	121	2.3%
<b>Profit After Tax (Owners)</b>	<b>308</b>	<b>154</b>	<b>100.4%</b>	<b>605</b>	<b>643</b>	<b>(5.9%)</b>
<b>PAT margin</b>	<b>4.5%</b>	<b>2.3%</b>		<b>3.4%</b>	<b>3.1%</b>	

- Project progress on new key projects on track and has picked up pace, driving better operating margins
- Lower YTD revenue driven by key overseas projects (AMAS and RAPID) completed, subdued Europe performance
- TCO reduction mainly driven by AMAS, RAPID completion and also cost optimization measures in Europe



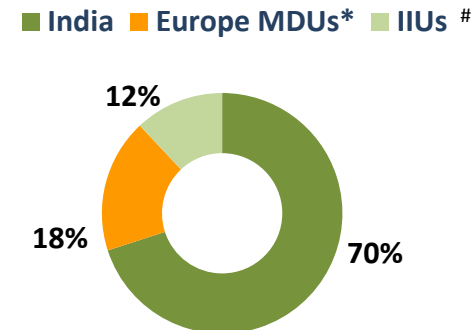
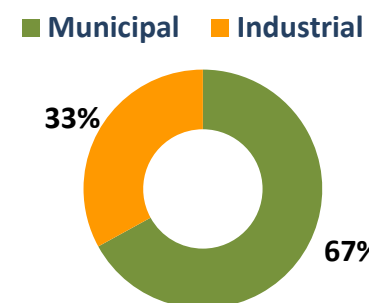
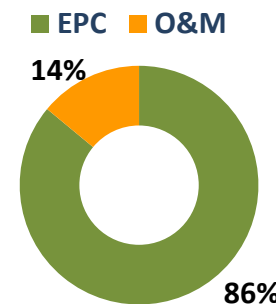
# RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q3 FY 20	Q3 FY 19	YOY %	9M FY 20	9M FY 19	YOY %
Revenue from Operations	4,881	4,516	8.1%	12,549	13,127	(4.4%)
Cost of Sales	3,712	3,403	9.1%	9,391	9,988	(6.0%)
Total Cost of Operations (TCO)	646	566	14.1%	1,681	1,773	(5.2%)
EBITDA	523	548	(4.5%)	1,477	1,366	8.1%
<i>EBITDA margin</i>	<i>10.7%</i>	<i>12.1%</i>		<i>11.8%</i>	<i>10.4%</i>	
Net Finance Cost	193	127	52.3%	564	320	76.3%
Depreciation & Amortization	16	21	(23.3%)	51	64	(21.2%)
Tax	118	141	(15.8%)	289	344	(16.2%)
Profit After Tax	195	260	(24.7%)	574	637	(10.0%)
<i>PAT margin</i>	<i>4.0%</i>	<i>5.8%</i>		<i>4.6%</i>	<i>4.9%</i>	

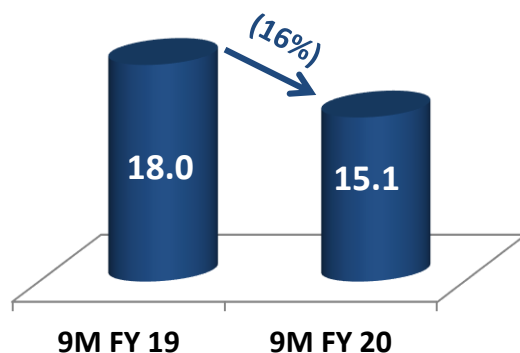
- Revenue growth driven by project progress on new key projects which have picked up pace
- EBITDA margin driven by margin expansion in key projects offset by higher ECL provisions as per company policy
- Increase in net finance cost mainly driven by borrowing mix; higher BG & LC charges due to new projects

# Revenue Breakup – 9M FY 20

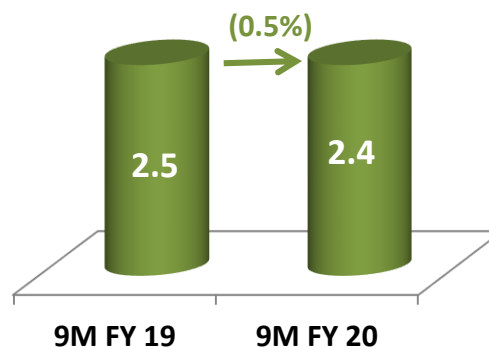
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	6,432	4,667	1,038	194	12,331
Wabag Overseas	3,289	760	957	178	5,184
<b>Total</b>	<b>9,721</b>	<b>5,427</b>	<b>1,995</b>	<b>372</b>	<b>17,515</b>



EPC [Rs. Bn.]



O&M [Rs. Bn.]



# Key Projects Contributing to Revenue – 9M FY 20

Project Details	Revenue recognized [Rs. Mn]
▪ Dangote, Nigeria - ETP & RWTP	1,768
▪ Expansion SWTP 9, Jubail, KSA – STP	1,454
▪ Polghawela, Sri Lanka – WTP	1,134
▪ MRPL, Karnataka – Desal	1,103
▪ South Doha, Qatar – STP	1,048
▪ HMEL, Bathinda – ETP & RWTP	1,044
▪ Koyambedu, Chennai – TTP	987
▪ La Mesa, Philippines – WTP	559
▪ K&C Valley, Bengaluru – STP	504
▪ Barmer, Rajasthan – Integrated Water Supply Project	372

# Order Book Analysis

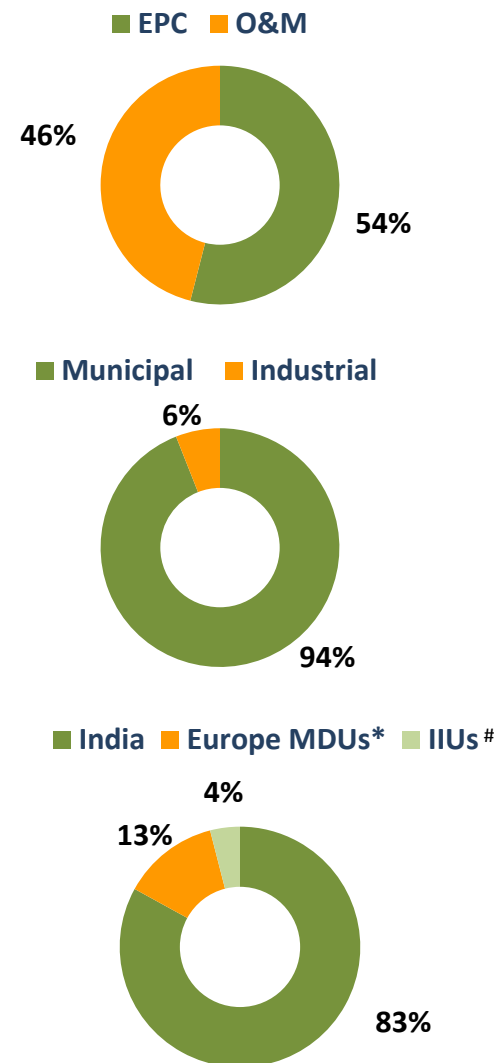




# Order Intake Breakup

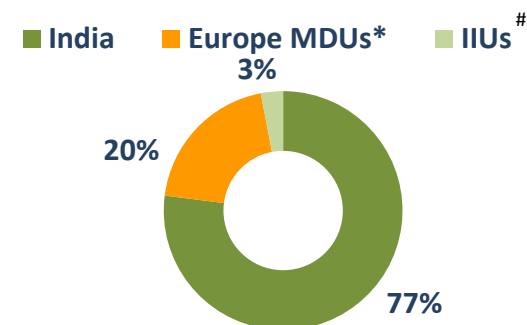
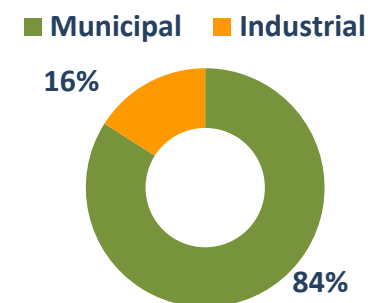
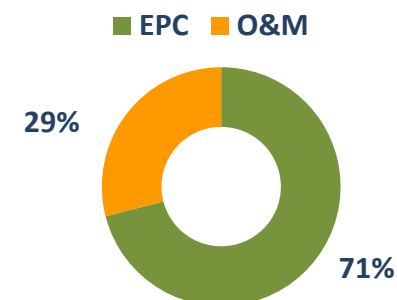
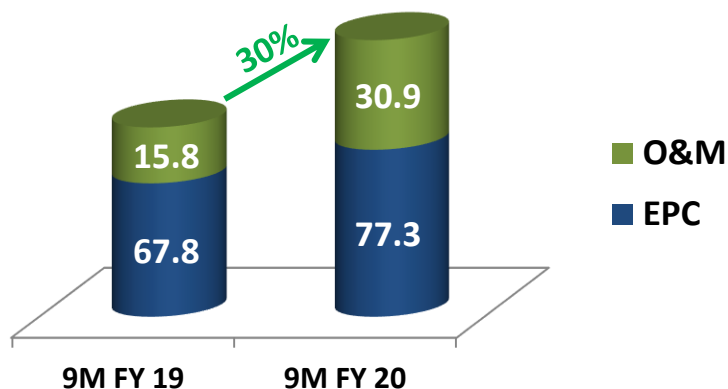
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	14,538	1,436	17,627	45	33,646
Wabag Overseas	5,219	697	896	125	6,937
<b>Total</b>	<b>19,757</b>	<b>2,133</b>	<b>18,523</b>	<b>170</b>	<b>40,583</b>

Key Orders Received	Order Value (Rs. Mn.)
Water Supply System, Bhagalpur – India	2,446
Drinking Water Treatment II, Saint Sulpice – Switzerland	1,700
Thai Oil Refinery - Thailand	1,089
Drinking Water Treatment Plant, Coimbatore – India	937



# Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	27,227	12,570	23,968	1,697	65,462
NMCG (SPVs)					
- EPC	7,947	-	1,453	-	9,400
- HAM	5,959	-	2,268	-	8,227
Wabag Overseas	20,698	2,925	1,217	329	25,169
Framework Contracts					6,996
<b>Total</b>	<b>61,831</b>	<b>15,495</b>	<b>28,906</b>	<b>2,026</b>	<b>115,254</b>



# Order Book of Rs. 108 Bn & Framework Contracts of Rs. 7 Bn

## Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
▪ UPJN, O&M of Agra & Ghaziabad	14,730
▪ BUIDCO, Digha & Kankarbagh – STP Network	11,878
▪ Expansion SWTP 9, Jubail, KSA – STP	7,147
▪ KMDA, Howrah – STP	5,748
▪ 50 MLD Zarat, Tunisia – Desal	5,120
▪ South Doha, Qatar – STP	4,242
▪ JAJMAU, Kanpur – CETP	4,426
▪ MRPL, Karnataka – Desal	3,184
▪ Dangote, Nigeria – ETP & RWTP	2,580
▪ Polgahwela, Srilanka – WTP	2,521

## Key Framework Contracts \*

- Libya STP of Rs. 6,114 Mn
- Koye Fetcbe, 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 & Order Intake : INR 50 Bn



**For further information, please contact**

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**Company :**

VA Tech Wabag Ltd.  
CIN - L45205TN1995PLC030231

[investors@wabag.in](mailto:investors@wabag.in)

[www.wabag.com](http://www.wabag.com)

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**Investor Relations Advisors :**

Stellar IR Advisors Pvt. Ltd.  
CIN - U74900MH2014PTC259212

Mr. Gaurang Vasani, Managing Director  
[vgaurang@stellar-ir.com](mailto:vgaurang@stellar-ir.com)

[www.stellar-ir.com](http://www.stellar-ir.com)