

Water +ve



VA TECH WABAG LTD.

**Investor Presentation
FY 18**

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Business Overview



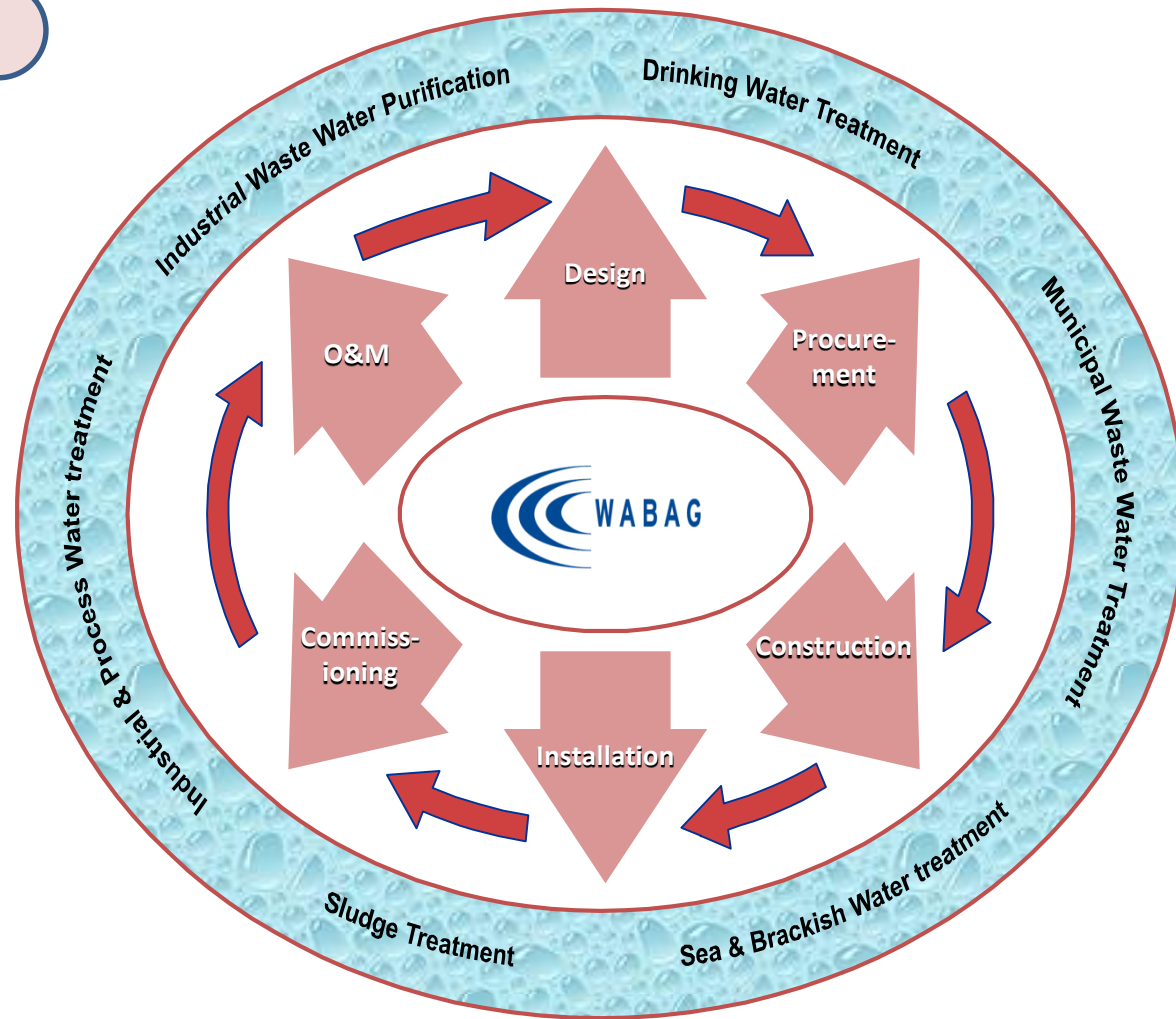
BATNA Waste Water Treatment Plant, ALGERIA

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 100 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

Offering a complete range of solutions across project lifecycle

- ✓ Pureplay water company
- ✓ Catering to both Municipal & Industrial customers
- ✓ Offerings span across segments of water treatment
- ✓ Range of services from concept / design stage to implementation to operations of plant



Led by ambitious professionals

Promoter Group



Rajiv Mittal (Promoter) – Managing Director & Group CEO

- Visionary, entrepreneur & a sound water technologist having 32 years of experience in the industry. Started water business in India for Wabag in 1996.
- Managing Director since 2000; under his leadership the Company has witnessed management buyout followed by manifold growth.



S. Varadarajan (Promoter) – Director & Chief Growth Officer

- Seasoned professional with over 29 years of experience of which 19 years in water industry with Wabag.
- Had been the CFO of Group until 2015 with a very successful IPO behind him. Recently taken charge as Chief Growth Officer to position the company for its ambitious growth.



Shiv Narayan Saraf (Promoter)

- 42 years of experience in the water engineering industry of which 15 years with Wabag
- Currently Advisor, Project Execution and Construction Management for India Cluster. Was formerly heading Project execution in Wabag

Independent Directors



B D Narang – Non Executive Chairman of the Board

- Veteran Banker with over 32 years of banking experience who retired as CMD of Oriental Bank of Commerce.
- Was a member for various high profile committees. nominated by Reserve Bank of India and Ministry of Corporate Affairs



Malay Mukherjee - Independent Director

- He has over 40 years of experience in mining and steel industry. Formerly CEO of the Essar Steel Group. He was instrumental in creation of the largest steel company namely Arcelor Mittal
- Member of Academy of Natural Science & life member of Indian Institute of Metals.



Sumit Chandwani – Independent Director

- 20 years of experience in private equity, structured finance and project finance. Currently Partner of Arth Equity Advisors LLP
- Formerly President of the Private Equity business of ICICI Ventures



Revathi Kasturi - Independent Director

- Over 30 years experience in leadership, Training and developing young minds for corporate world.
- Formerly Chief Executive Finance Solutions – Wipro Technologies. Currently Director & CEO of Laqsh Job Skills Academy.

Led by ambitious professionals



Parthasarathy Gopalan – Group CFO

- 25 years experience across three diverse organizations including 13 years in Ford Motor company as CFO & Director.
- Currently with Wabag from Sep 2015 as CFO of the Group. Previously was COO in CRH plc.



Rajneesh Chopra – Global Head – Business Development

- 30 years of work experience with more than 25 years in the Water Industry
- Previously worked with Ultimate Water Solution as CEO and with Ion Exchange India Limited as General Manager



Pankaj Sachdeva – CEO, India Cluster

- More than 35 years of work experience in power, energy, infrastructure and asset creation domain
- Previously worked with Fedders Lloyd Corporation as Executive President. Has rich experience working with organizations like Areva / Alstom and ABB.



Deep Raj Saxena – CEO, MEA Cluster

- More than 35 years of work experience in the EPC Industry in India & Middle East
- Previously worked as Vice President & Head of L&T Hydrocarbon business, based in UAE



Patrick Andrade – Chief Operating Officer – India Cluster

- Water technologist with 30 Years of experience in the Industry; Previously worked in senior positions in Thermax and Aquatech
- Played key role in developing the Industrial Water Business in India as Head of SBU for Industrial water



Arnold Gmuender – COO, Wabag Switzerland & Regional Head SEA & China

- Seasoned Water Technologist with 35 years of work experience in the water industry large part of which is in Wabag.
- Leads operations in Wabag Switzerland. Also responsible for development of South East Asia & China market.

Nurturing Entrepreneurial Talent



Colerridge Shelley
Director,
WABAG Philippines

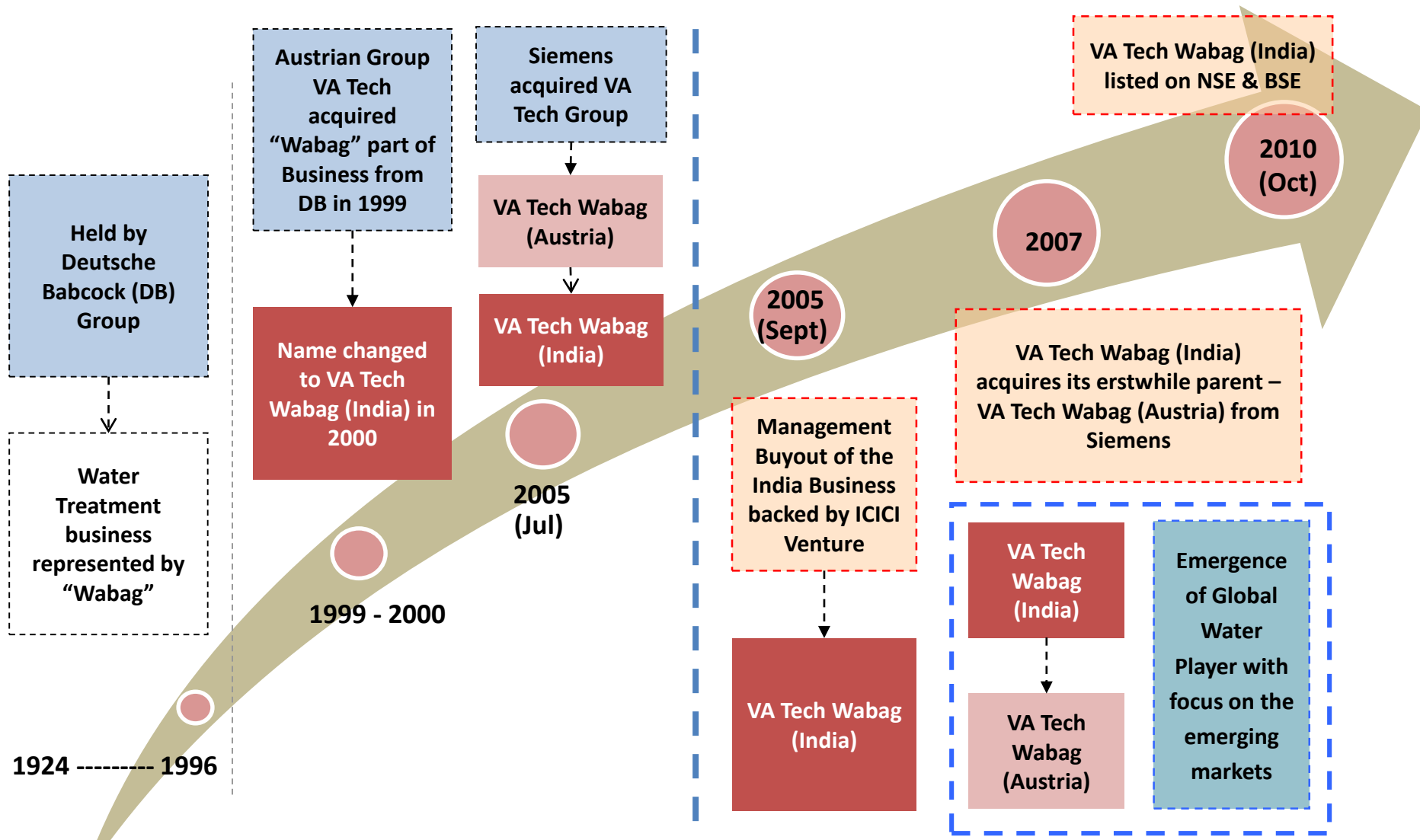


Erwin Mötz
Managing Director,
WABAG Romania



Mahmut Gedek
Managing Director,
WABAG Turkey

Management Buyout followed by Acquisition of erstwhile Parent...



... Strengthen the Positioning in Water Treatment Sector

Wabag Austria acquisition brought along...

Technical Know-how – Access to over 100 Patents & Experienced Manpower

Perennial Rights to “WABAG” brand - Established in 1924

Project References in more than 19 countries helps P/Q

Access to Global geographies

.... facilitated to Achieve

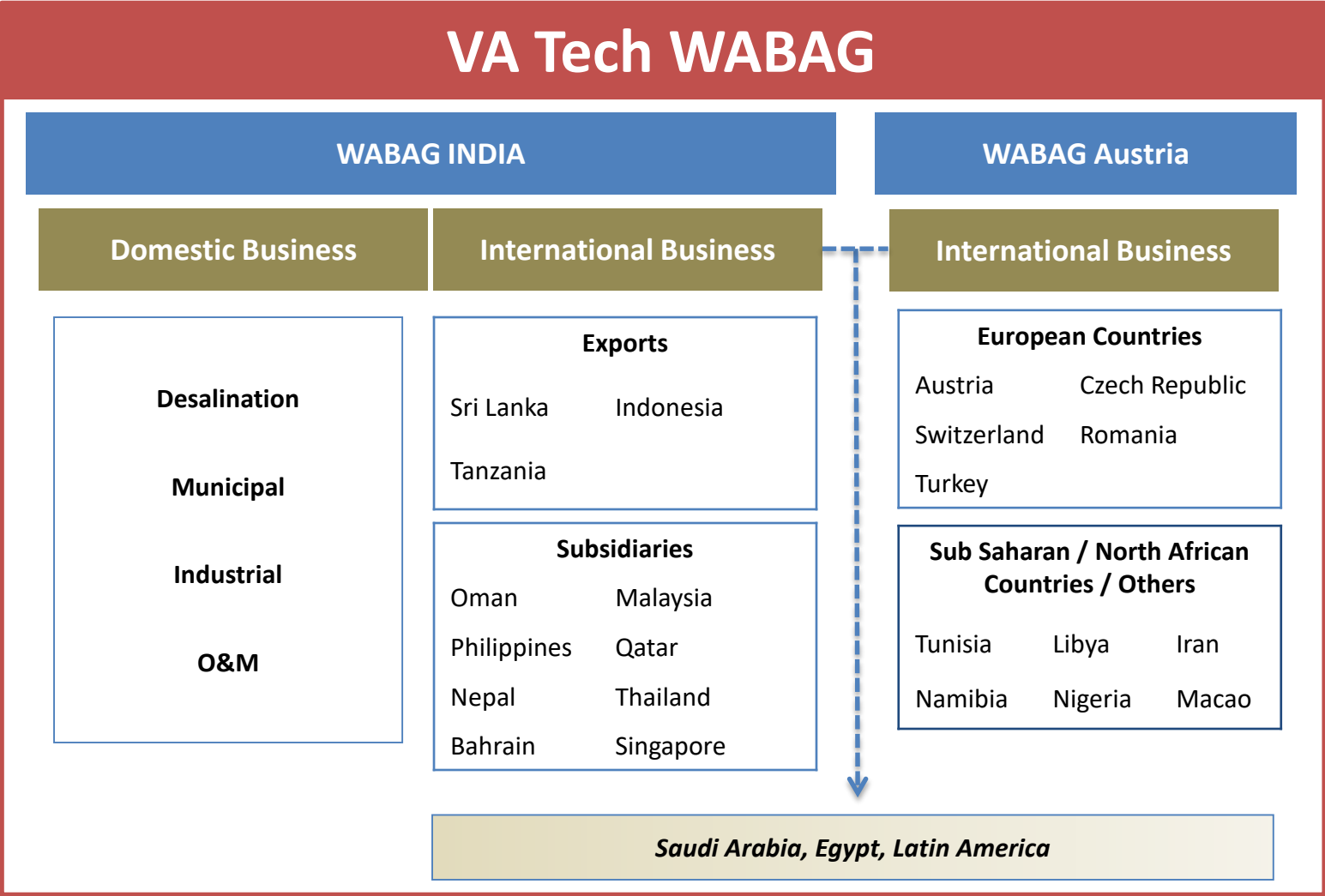
Growth in India Business

Revenue grew over 5 times
From Rs. 332 Crs to Rs. 1,856 Crs

Acceptance of WABAG INDIA in
Overseas market

Opportunity to leverage Low
Cost Economic Advantage in
Global market

Current Business Structure



Our Key Strengths



100 MLD Desalination Plant, Chennai, INDIA

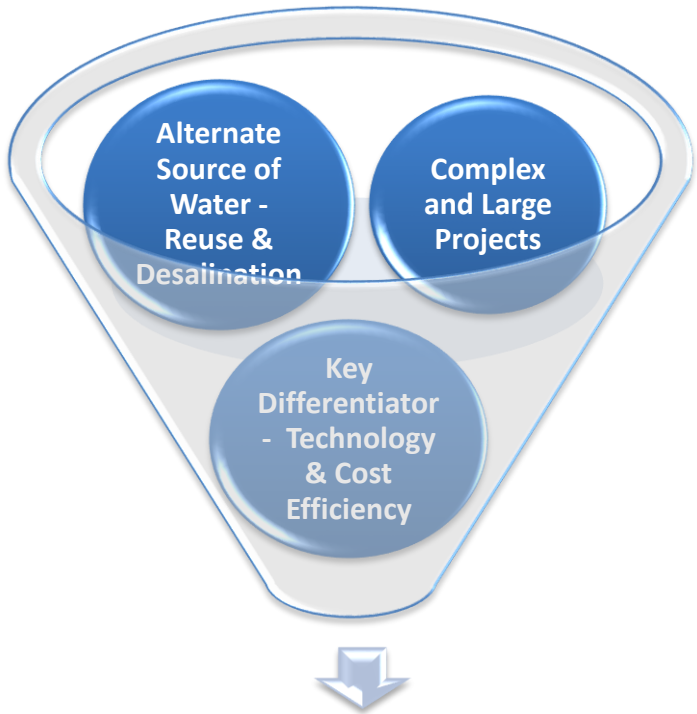
Use of Advanced Technology & R&D...

Advanced Technology & Patented Products/Processes

Biological Aerobic Treatment	Sludge Treatment	Anaerobic Digestion	Coagulation	Flocculation
Demine-realization	Disinfection	Filtration	Sedimentation	Reverse Osmosis
Thermal Desalination	Screening	Ion Exchange	Ozone treatment	UV Treatment
Fluidized Bed Technology FLUOPUR®	Bio-filtration BIOPUR®	Activated Sludge HYBRID™	Membrane Bio Reactor MARAPUR®	De-nitrification BIOIDEN®
Biological Anaerobic Treatment EkJ Process™	Membrane Filtration CERAMOPUR®	Oxidation Process ADOX®	Sludge Digestion BIOZONE®	

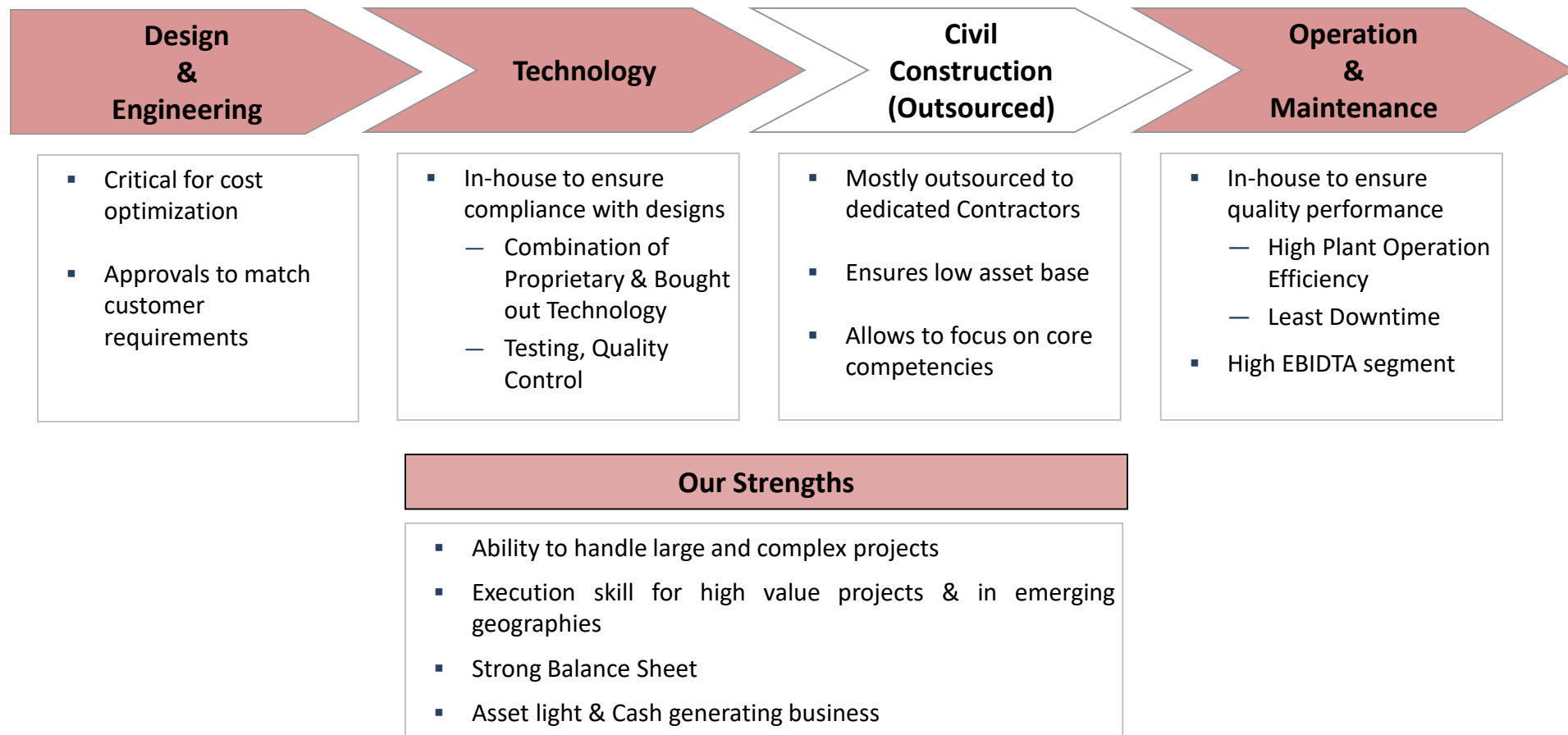
- Customized solutions employing in-house tech
- Patents owned for select products/ processes

High quality treated water – Technology is the deciding factor



ADVANCED EUROPEAN TECHNOLOGY @ LOCAL COST

Asset Light Business Model



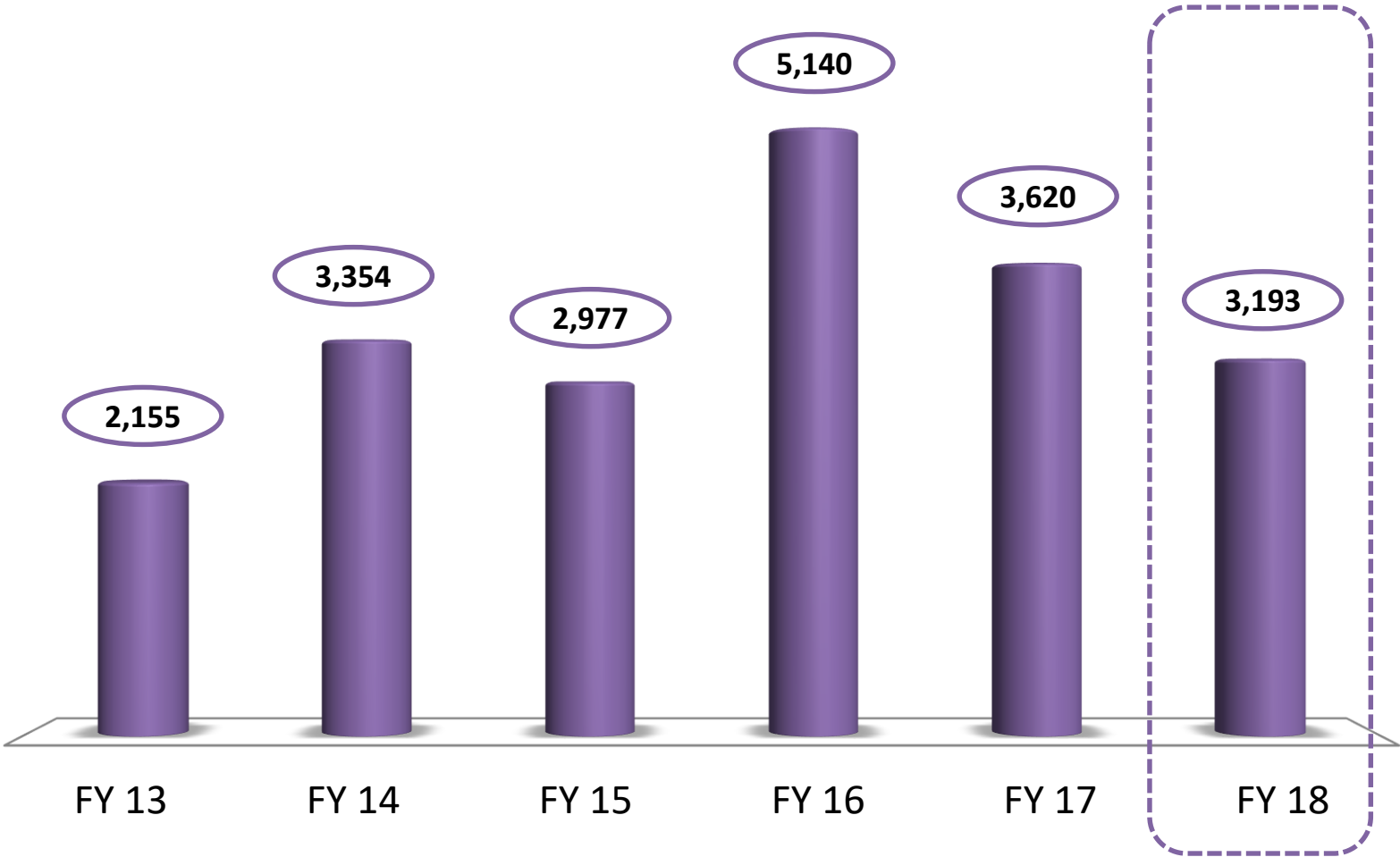
Focus on 'Value-Added & High Margin' work processes; Limits investment in Asset Base

FINANCIAL HIGHLIGHTS



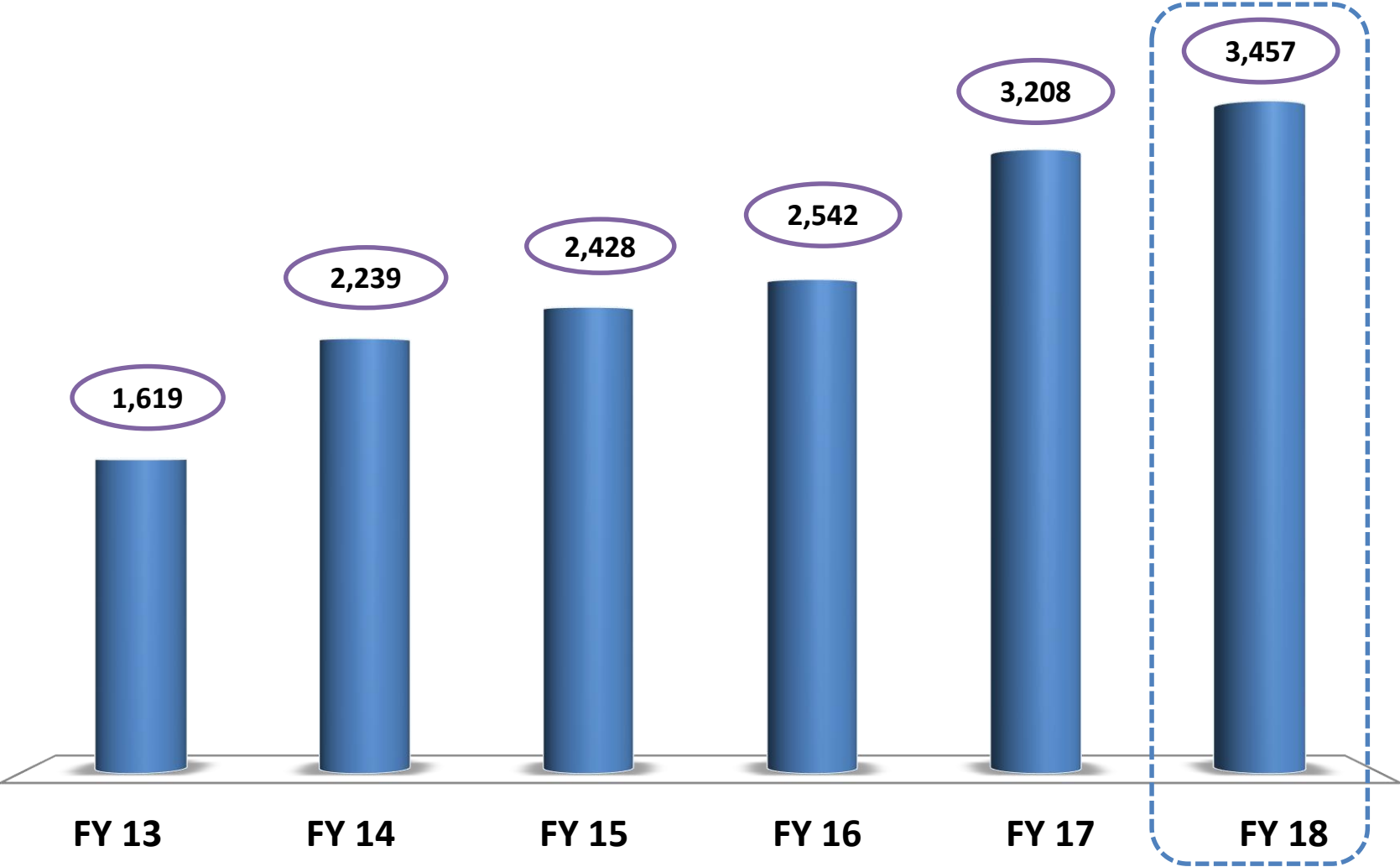
Waste Water Treatment Plant,
Turkey

Yearly Order Intake



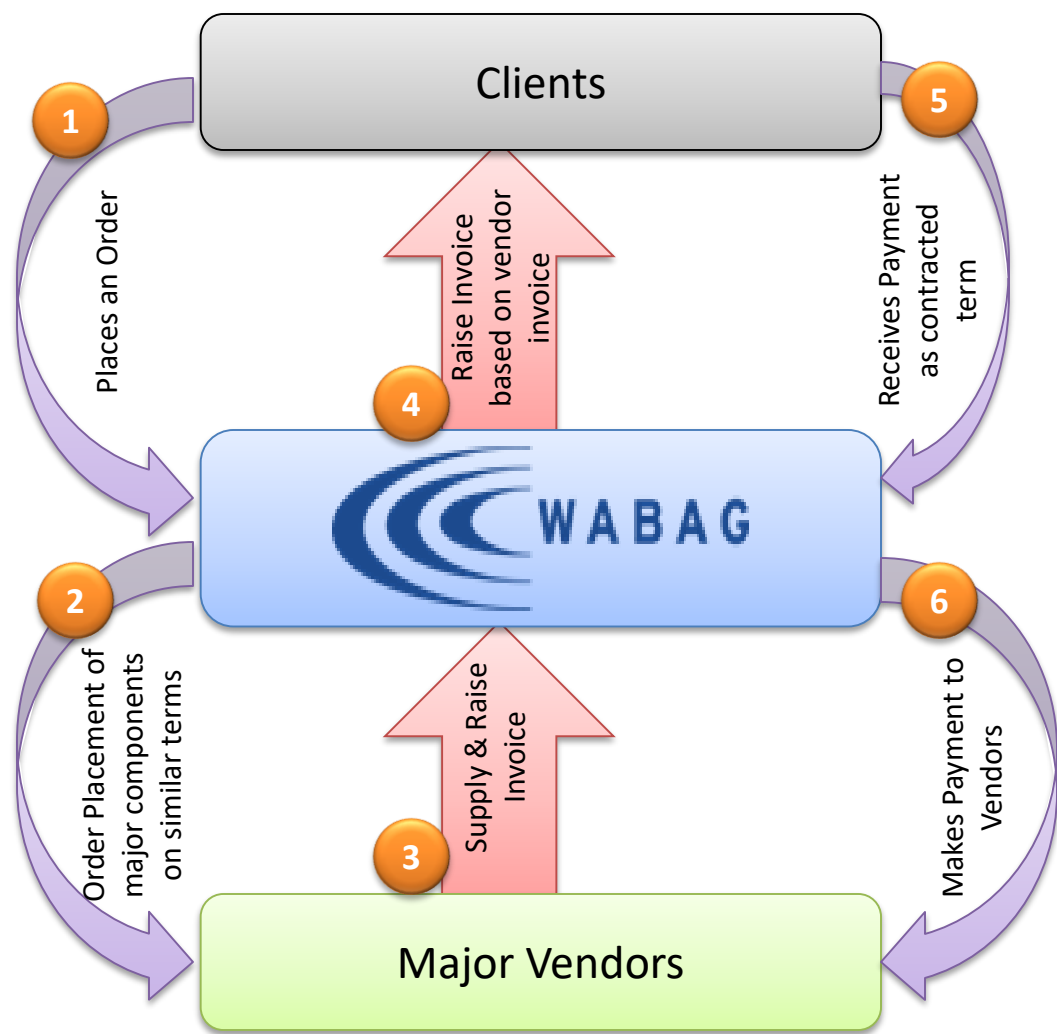
Rs. Crs.

Robust Revenue Growth



Rs. Crs.

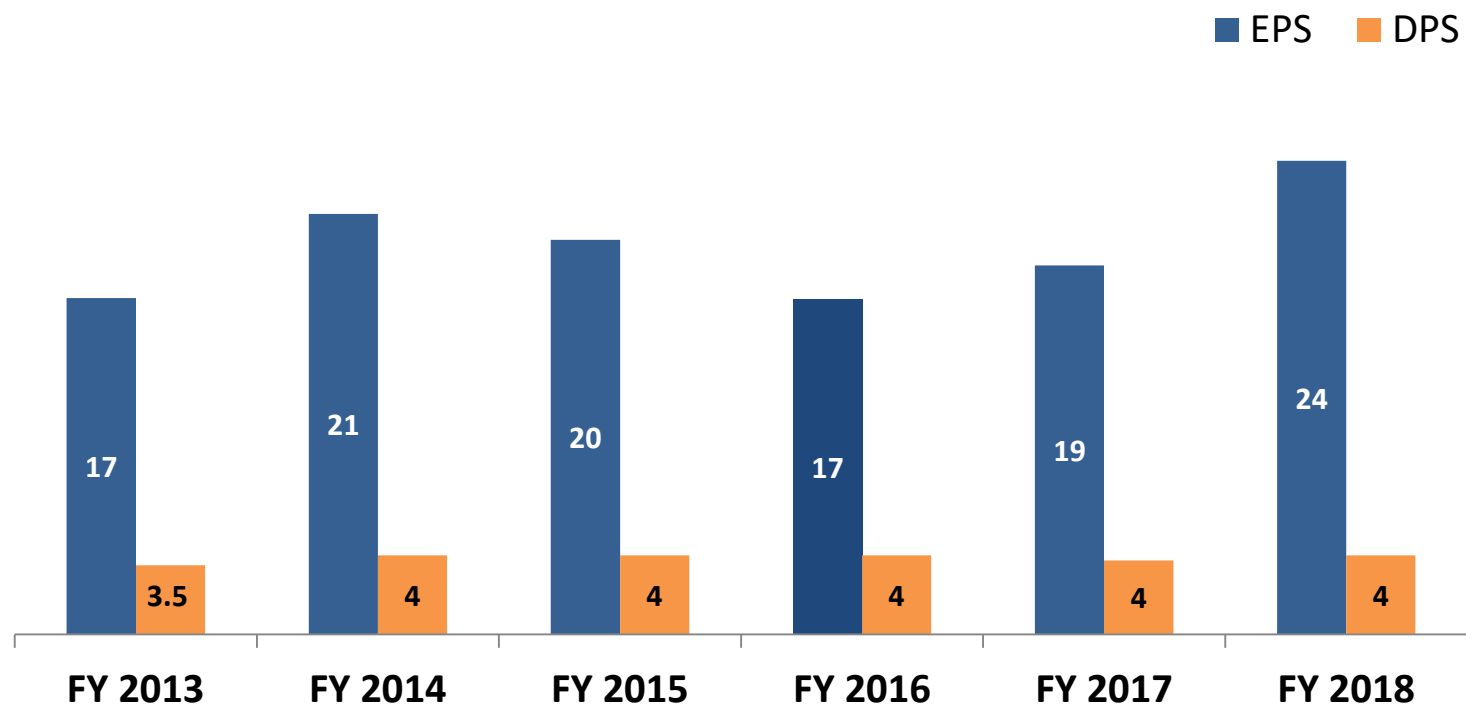
Working Capital Cycle



- Why are the Receivables & Payables higher on Balance Sheet date?
 - Q4 generally accounts for 35-40% of annual turnover
 - Invoice raised & recognized as Revenue that appear in Receivables, are not due for payment as per contract
 - The above applies to Payables to major Vendors too
 - Receives and makes payment as per contracted terms in due course of time

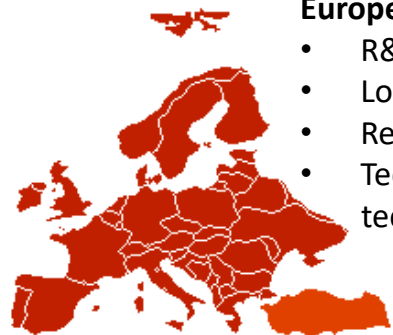
Dividend Pay-out

Adjusted for Bonus Issue of 1:1 in FY 2015



Earning Per Share (Rs.)	17	21	20	17	19	24
Dividend Per Share (Rs.)	3.5	4	4	4	4	4
Dividend Payout (including tax)	24%	22%	24%	29%	26%	20%

Strategic Geographical Spread



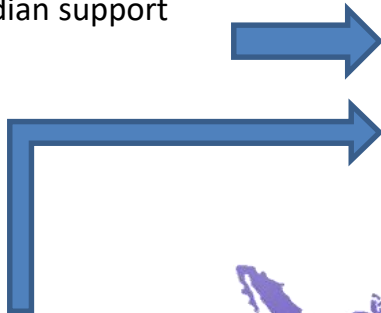
Europe

- R&D Centre – over 100 patents
- Low working capital
- References for global business
- Technology Centre for advanced technologies in waste water



Africa

- Largely untapped-emerging economy
- Competitiveness through Indian support



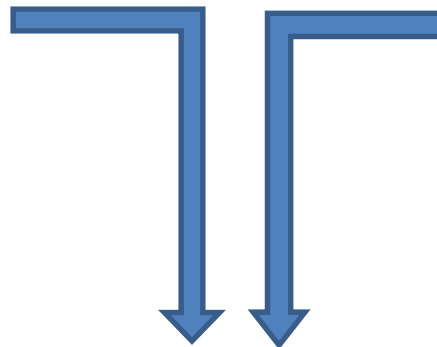
LATAM

- Huge market for Desal, Industrial and BOOT Projects



India

- High Margins
- Low cost of Operations
- Technology Centre for Industrial business and desalination



Middle East

- >50% of Desal market in Saudi
- High potential for advanced technologies
- Competitiveness through Indian support



South East Asia

- Largely untapped - Emerging economy
- Competitiveness through Indian support

1

Key Highlights Q4 & FY 18

2

Quarterly Performance

3

Namami Gange

4

Order Book Analysis

Key Highlights Q4 & FY 18



- Consolidated Revenue up by 7.8%
- Consolidated EBITDA at 8.7%
- Consolidated PAT at INR 1,315 Mio up by 28.4%
- Order Book over INR 75 Bn
including framework orders



Water Treatment Plant,
Alpnach, Switzerland

Quarterly Performance



RESULTS OVERVIEW – Consolidated Profit and Loss

Rs. Millions	Q4 FY18	Q4 FY17	YOY %	FY18	FY17	YOY %
Revenue from operations	10,374	11,317	(8.3%)	34,572	32,079	7.8%
Cost of Sales	8,125	9,058	(10.3%)	27,336	25,388	7.7%
Total Cost of Operations (TCO)	1,237	943	31.2%	4,224	3,725	13.4%
EBITDA	1,012	1,316	(23.1%)	3,012	2,966	1.6%
EBITDA margin	9.8%	11.6%		8.7%	9.2%	
Forex (Gain) / Loss	62	58	6.9%	94	(15)	--
Net Finance Cost	132	99	33.3%	520	428	21.5%
Depreciation & Amortization	45	52	(13.5%)	178	191	(6.8%)
Tax	146	326	(55.2%)	774	667	16.0%
Share of Profits from Associates / MI	(30)	(24)	--	(131)	(671)	--
Profit After Tax (Owners)	597	757	(21.1%)	1,315	1,024	28.4%
PAT margin	5.8%	6.7%		3.8%	3.2%	

- Growth in top line driven by significant progress in key overseas projects and IIUs
- Sales and EBITDA from overseas entities improved 14% YoY, backed by better results in Europe
- Overseas TCO control driven by cost optimizations in Europe help improve Net Margins

RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q4 FY18	Q4 FY17	YOY %	FY18	FY17	YOY %
Revenue from Operations	5,346	7,038	(24.0%)	18,563	17,984	3.2%
Cost of Sales	4,175	5,753	(27.4%)	14,361	13,980	2.7%
Total Cost of Operations (TCO)	711	740	(3.9%)	2,266	1,984	14.2%
EBITDA	461	545	(15.5%)	1,937	2,020	(4.1%)
EBITDA margin	8.6%	7.7%		10.4%	11.2%	
Dividend Income	-	64	- -	201	74	171.6%
Forex (Gain) / Loss	(5)	(33)	(86.1%)	21	(139)	(115.4%)
Net Finance Cost	59	66	(10.6%)	284	233	21.9%
Depreciation & Amortization	25	25	0.4%	91	95	(4.3%)
Exceptional Items	-	-		-	643	
Tax	117	265	(55.9%)	571	510	11.9%
Profit After Tax	265	286	(7.5%)	1,171	752	55.7%
PAT margin	4.9%	4.1%		6.3%	4.2%	

- Revenue growth subdued by GST introduction for Indian projects, reducing topline
- Dividend from profitable overseas project execution in MEA
- Net finance cost – Bond charges for new projects in CY

RESULTS OVERVIEW – Balance Sheet

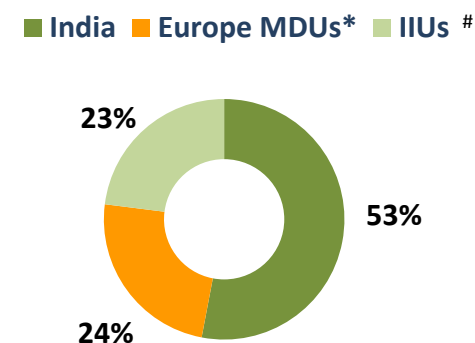
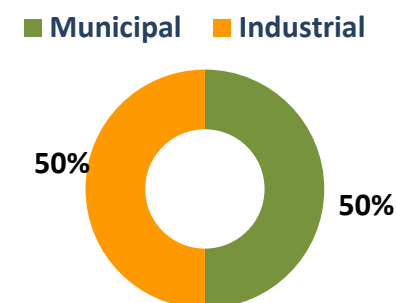
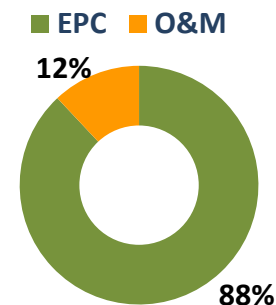
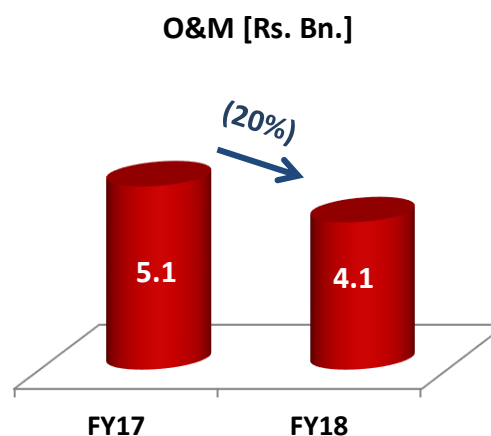
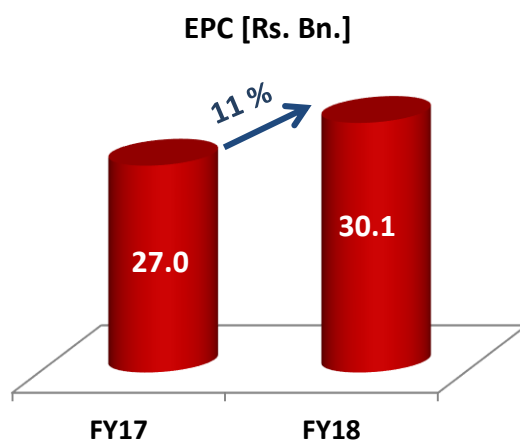
Rs. Millions	Mar '18		Mar '17	
	Consolidated		Standalone	
Total Equity (Net Worth)	11,624	10,104	9,169	8,241
Non-Current Liabilities	2,732	2,695	1,995	1,942
Trade Payables	14,899	12,574	9,255	8,300
Short Term Borrowings	4,274	2,459	2,763	1,199
Other Current Liabilities	3,774	5,674	2,497	3,043
Total Equity & Liabilities	37,303	33,506	25,679	22,725
Fixed Assets	1,768	1,776	875	922
Other Non-Current Assets	5,337	4,727	5,162	4,609
Trade Receivables	24,561	21,238	15,725	13,576
Cash & Bank Balances	1,852	2,617	568	947
Other Current Assets	3,785	3,148	3,349	2,671
Total Assets	37,303	33,506	25,679	22,725

RESULTS OVERVIEW – Working Capital Highlights

Rs. Millions	Mar '18	Sep'17	Mar '17
Inventories	382	467	385
Trade Receivables	24,561	24,282	21,238
Loans and Advances	348	347	408
Other Current Assets	3,054	2,806	2,163
Total Current Assets (A)	28,345	27,902	24,194
Trade Payables	14,899	12,728	12,574
Other Current Liabilities and Provisions	3,774	5,706	5,673
Total Current Liabilities (B)	18,673	18,434	18,248
Net Working Capital (NWC)	9,672	9,468	5,946
Net Working Capital (No. of Days)	98	101	68

Revenue Breakup – FY18

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	7,978	8,416	1,185	608	18,187
Wabag Overseas	6,482	7,311	1,659	651	16,103
Total	14,460	15,727	2,844	1,259	34,290



Key Projects Contributing to Revenue – YTD FY18

Project Details	Revenue recognized [Rs. Mn]
▪ Petronas RAPID, Malaysia - ETP	7,263
▪ AMAS, Bahrain – STP	1,981
▪ APGENCO – BOP with water management	2,185
▪ Desal & STP Order, Saudi Arabia	1,930
▪ Dangote, Nigeria - ETP & RWTP	1,883
▪ Koyambedu, Chennai – TTP	1,876
▪ Polghawela, Sri Lanka – WTP	1,637
▪ Sanliurfa, Turkey – WWTP	1,036
▪ Long Phu 1, Vietnam – WWTP	628
▪ Valenzuela, Philippines - STP	505

Namami Gange



Total outlay expected ~ INR 20,000 Crores

Integrated City Management Model

Large scale projects summing up to ~ INR 5,000 Crores
in Kanpur, Allahabad, Patna and Kolkata

Sewerage Treatment and Network

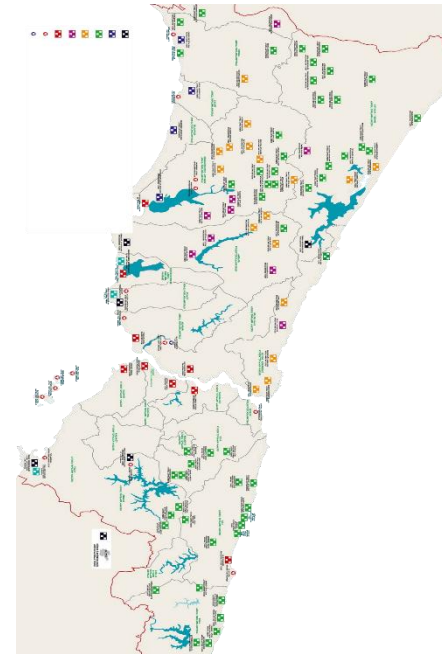
Sewage treatment & network projects worth INR 1,000
Crore in Bihar under BUIDCO

Successes

- INR 147 Crores – 60,000 m³/day WWTP – Pahari, Bihar
- INR 253 Crore – Sewerage Network – Karmalichak, Bihar
- Upgradation of two STP's at Haridwar

24/7

**management of the wastewater
catering 16 million inhabitants
of Istanbul**



**WABAG well positioned with
it's experience in handling
water treatment of 7.4 Million
m³/day at 124 locations in
Istanbul**

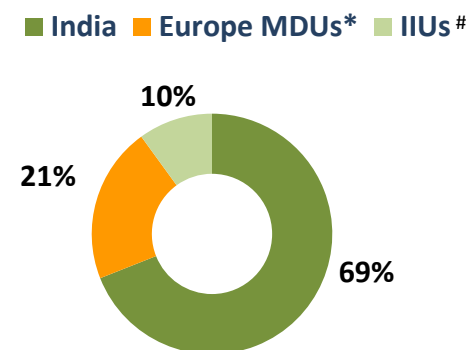
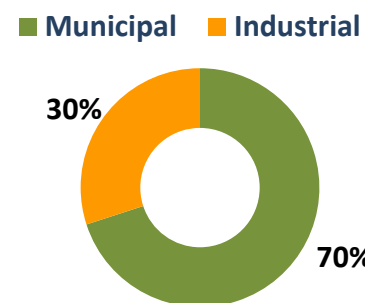
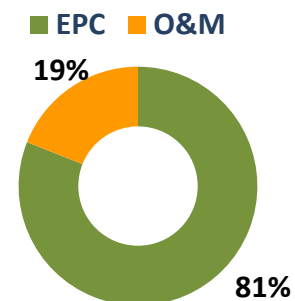
Order Book Analysis – FY18



Order Intake Breakup

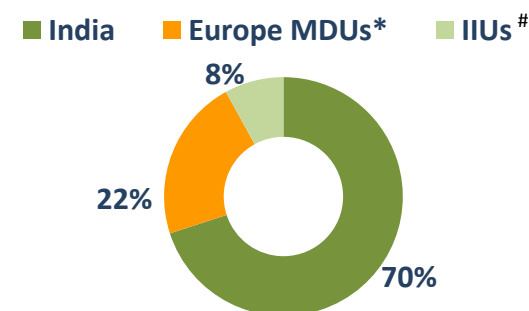
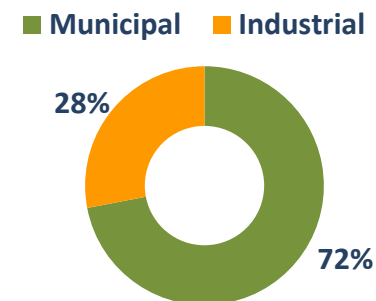
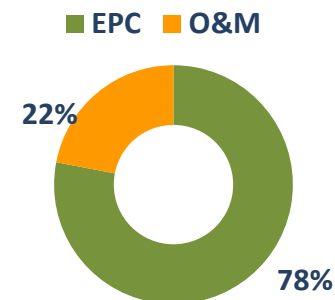
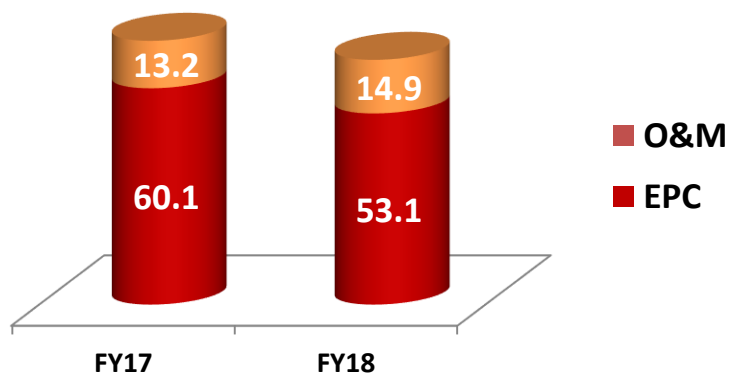
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	10,257	7,665	3,466	565	21,953
Wabag Overseas	7,206	872	1,264	636	9,978
Total	17,463	8,537	4,730	1,201	31,931

Key Orders Received	Order Value (Rs. Mn.)
Rithala, India	2,960
HMEL Bhatinda, India	2,897
Karmalichak, India	2,525
Pahari, India	1,477
Rajpur & Sonarpur, India	829



Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	20,918	12,963	12,129	1,549	47,559
Wabag Overseas	15,172	4,066	856	433	20,527
Framework Contracts					9,345
Total	36,090	17,029	12,985	1,982	77,431



Order Book of Rs. 68 Bn & Framework Contracts of Rs. 9.3 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
▪ Dangote, Nigeria - ETP & RWTP	6,250
▪ Polgahawela, Sri Lanka – WTP	5,077
▪ Koyambedu, Chennai – TTP	3,869
▪ K&C Valley, Bengaluru – STP	3,281
▪ Desal & STP Order, Saudi Arabia	3,163
▪ Rithala, Delhi – STP	2,960
▪ HMEL, Bathinda – ETP	2,897
▪ Karmalichak, Bihar – STP	2,525
▪ Integrated Water Supply Project - Barmer, Rajasthan	1,996
▪ La Mesa, Philippines - WTP	1,527
▪ Petronas RAPID, Malaysia – ETP	1,507

Key Framework Contracts *

- Libya STP of Rs. 6,114 Mn
- Purolite, Romania of 1,656 Mn
- Koye Fetcche, Ethiopia of Rs. 882 Mn
- Al Saad, Saudi Arabia BWRO of Rs. 693 Mn

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

Guidance for FY 19

Revenue : INR 40 Bn – INR 42 Bn & Order Intake : INR 53 Bn – INR 57 Bn



For further information, please contact

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