



March 7, 2016

WCL/SEC/2016

To, Bombay Stock Exchange Ltd. (Scrip Code-532144) Department of Listing, P. J. Towers, Dalal Street, Mumbai - 400 001.	National Stock Exchange of India Ltd. (Symbol: WELCORP, Series EQ) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
Singapore Exchange Securities Trading Ltd 2 Shenton Way #19-00 SGX Centre I Singapore 068804	

Dear Sirs/ Madam,

**Subject: Intimation of Schedule of Analyst / Institutional Investor meetings under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015**

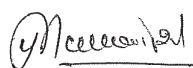
This is to inform you that the Company will be attending the following conference of institutional investors.

Date	Organised by	Place
March 08, 2016	Prabhudas Liladher Institutional Equities	Mumbai

This is to further inform that the copy of the latest presentation has been uploaded on the website of the Company [www.welspuncorp.com](http://www.welspuncorp.com) and also attached herewith. This is for your information.

This information is submitted to you pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

For Welspun Corp Limited

  
Pradeep Joshi  
Company Secretary  
FCS - 4959



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# **WELSPUN CORP LTD. (WCL)**

**World's Leading Line Pipe Manufacturer**

Investor Presentation

March 2016



# SAFE HARBOUR

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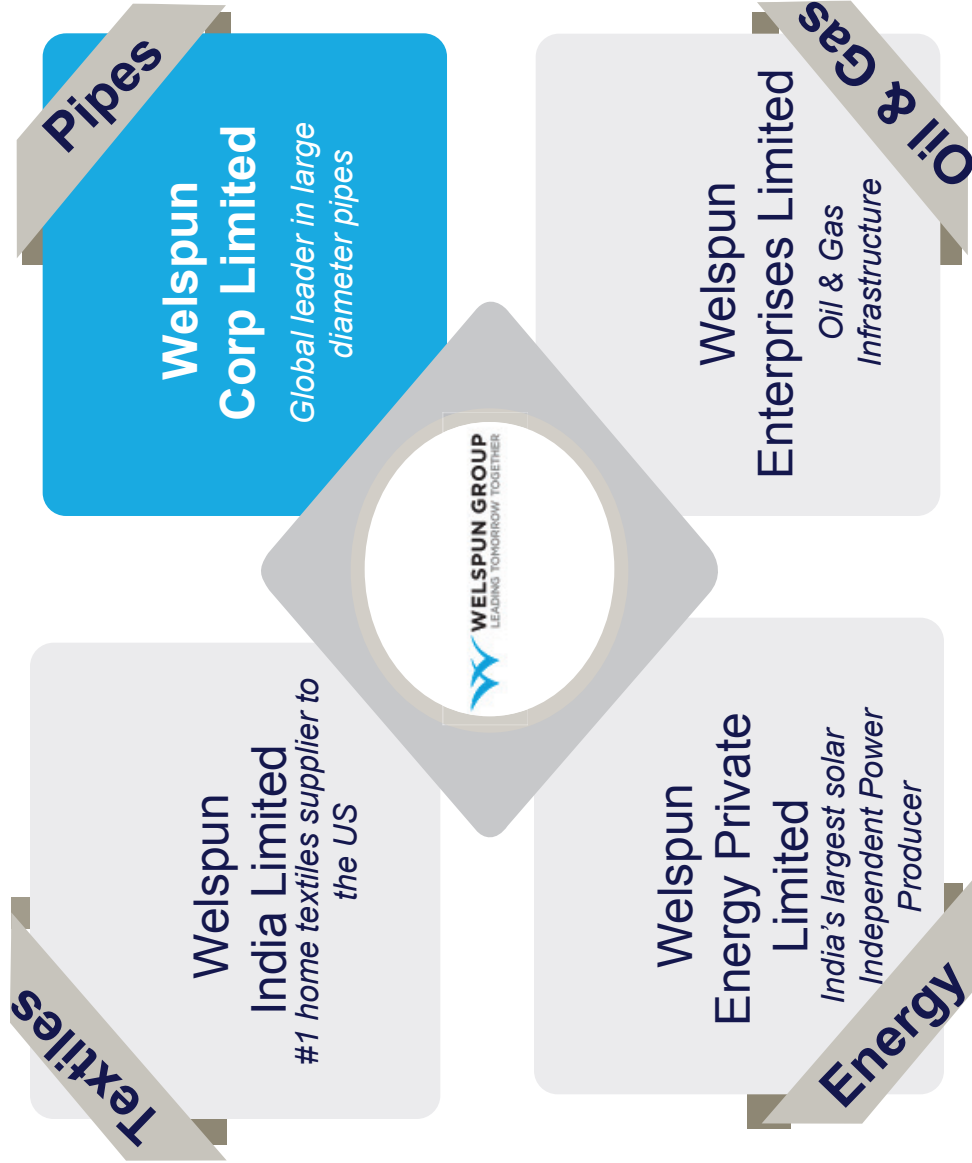
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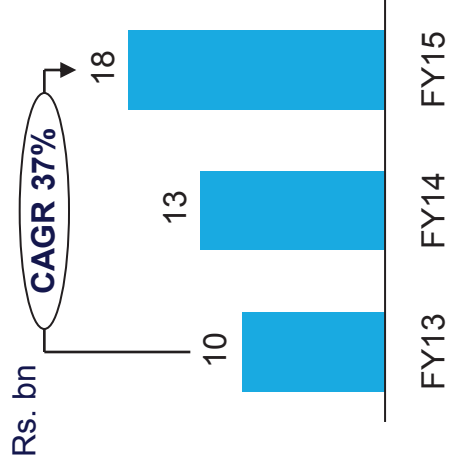
This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



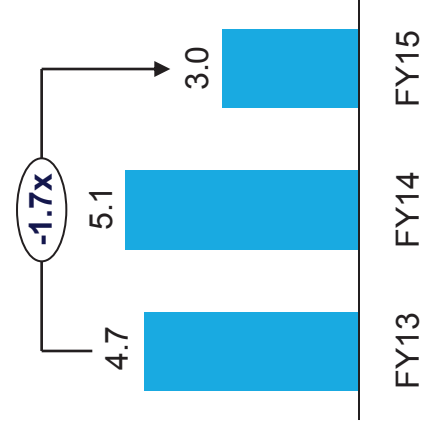
# A PART OF US\$ 3 BN WELSPUN GROUP



## Cash PAT



## Net Debt / EBITDA

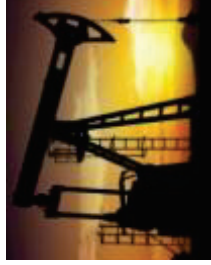


**Revenue : US\$ 3 Billion ; Asset Base : US\$ 3.2 Billion**

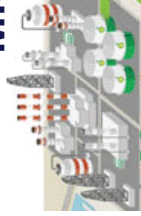
# WORLD'S LEADING LINE PIPE MANUFACTURER...

...focussed on midstream segment of Oil & Gas industry value chain

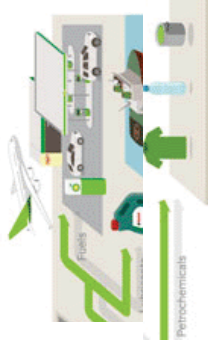
## Upstream



## Midstream



## Downstream

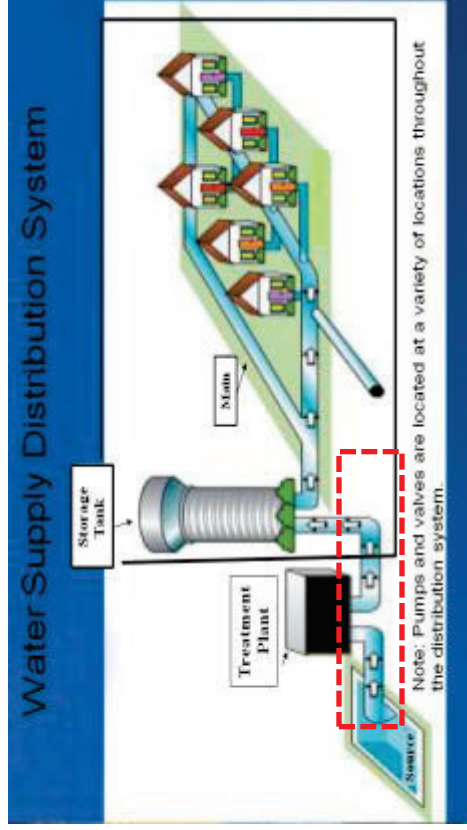


Exploration / Production

Transportation

Distribution / Retail Sale

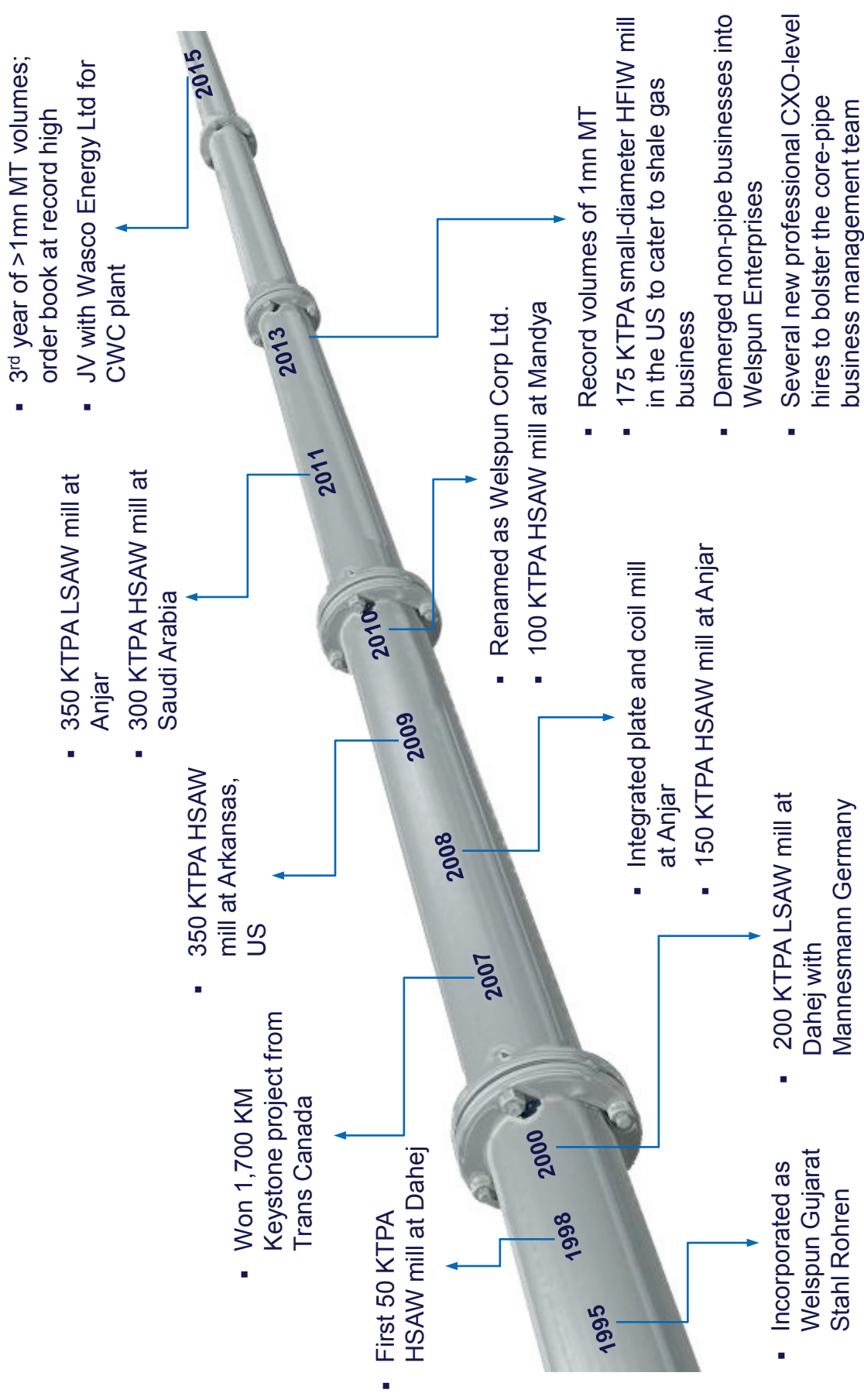
...and Water transmission value chain



Line pipes are used for transporting oil, gas or water over long distances (interstate or from offshore/under-sea) or as gathering lines (from well to processing centre)

*Denotes WCL's presence*

# EMERGED TO BECOME LEADER



# KEY STRENGTHS

End-to-end products & solutions

Advanced technological prowess

Focus on R&D and pipeline technology

Diversified global presence

Expertise in complex projects

Partnerships with global giants

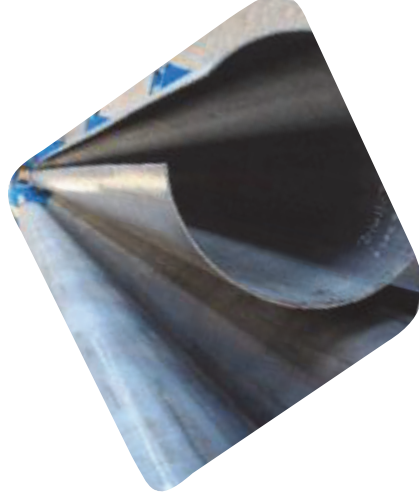
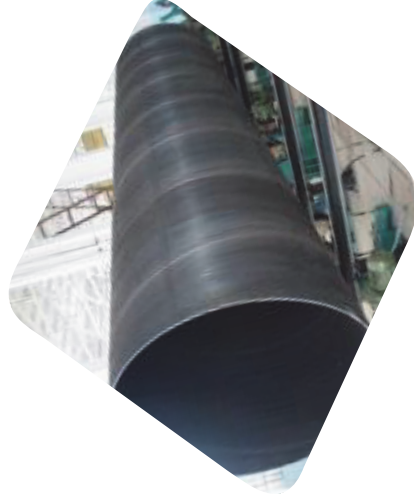
Experienced professional team



# END-TO-END PRODUCTS & SOLUTIONS

## HSAW Pipes

- Helically welded pipes made from HR coils; used for on-shore oil, gas & water transmission
- 24 – 140 inch diameter, moderate wall thickness

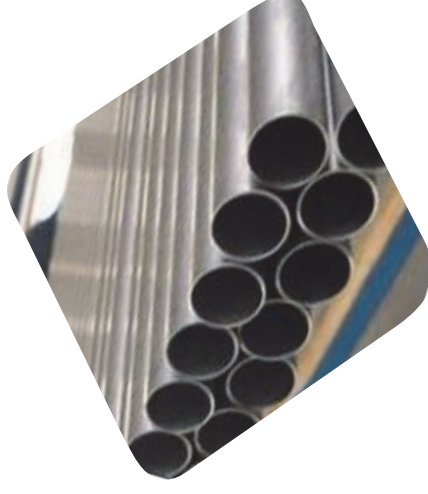


## LSAW Pipes

- Longitudinally welded pipes made from HR plates; used for onshore / off-shore oil & gas transmission
- 16 – 60 inch diameter, high wall thickness

## ERW/HFIW Pipes

- High-frequency electric welded pipes made from HR coils; used for downstream distribution of oil, gas & water
- 1.5 – 16 inch diameter, low/moderate wall thickness



**Plates & Coils:** Provides WCL with vertical integration & competitive advantage in a few market segments

**Coating Systems:** **concrete Weight Coating**, Double Jointing, 3LPE, 3LPP, DJ, Internal Solvent /Solvent free coating, Coal Tar Enamel, Inside Cement Mortar Lining

**Ancillary services:** Pipe bending, Dump Site & Inventory management



# ADVANCED TECHNOLOGICAL PROWESS

## Efficient Robotic Systems



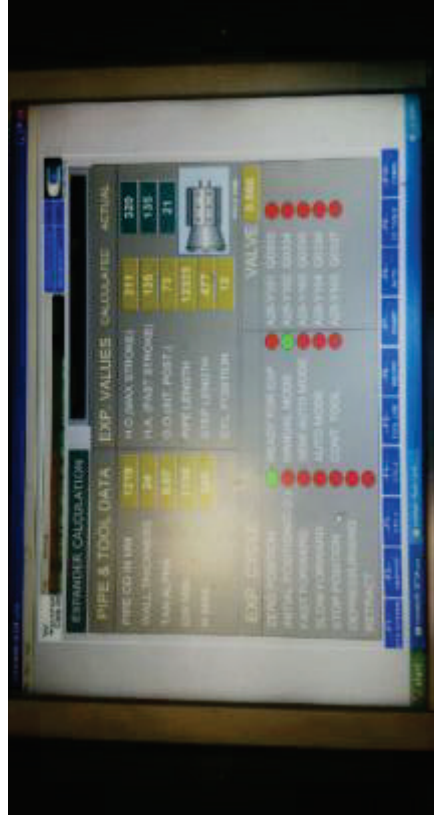
## Highly Automated Plant Process Line



## Integrated Pipe Traceability System



## Precision Dimensional Control



# FOCUS ON R&D AND PIPELINE TECHNOLOGY

## Technical knowhow with optimal solutions

Experience of delivering pipe with stringent specifications gives us the edge for prestigious and challenging projects like Keystone Pipeline, Peru LNG, Wasit Gas Program, Independence Trail, IGAT-IV, Master Gas - I

## Dedicated R&D facility

Fully equipped Growth Workshop facilities to facilitate capability enhancement, capacity expansion, de-bottlenecking, automation and product development programs

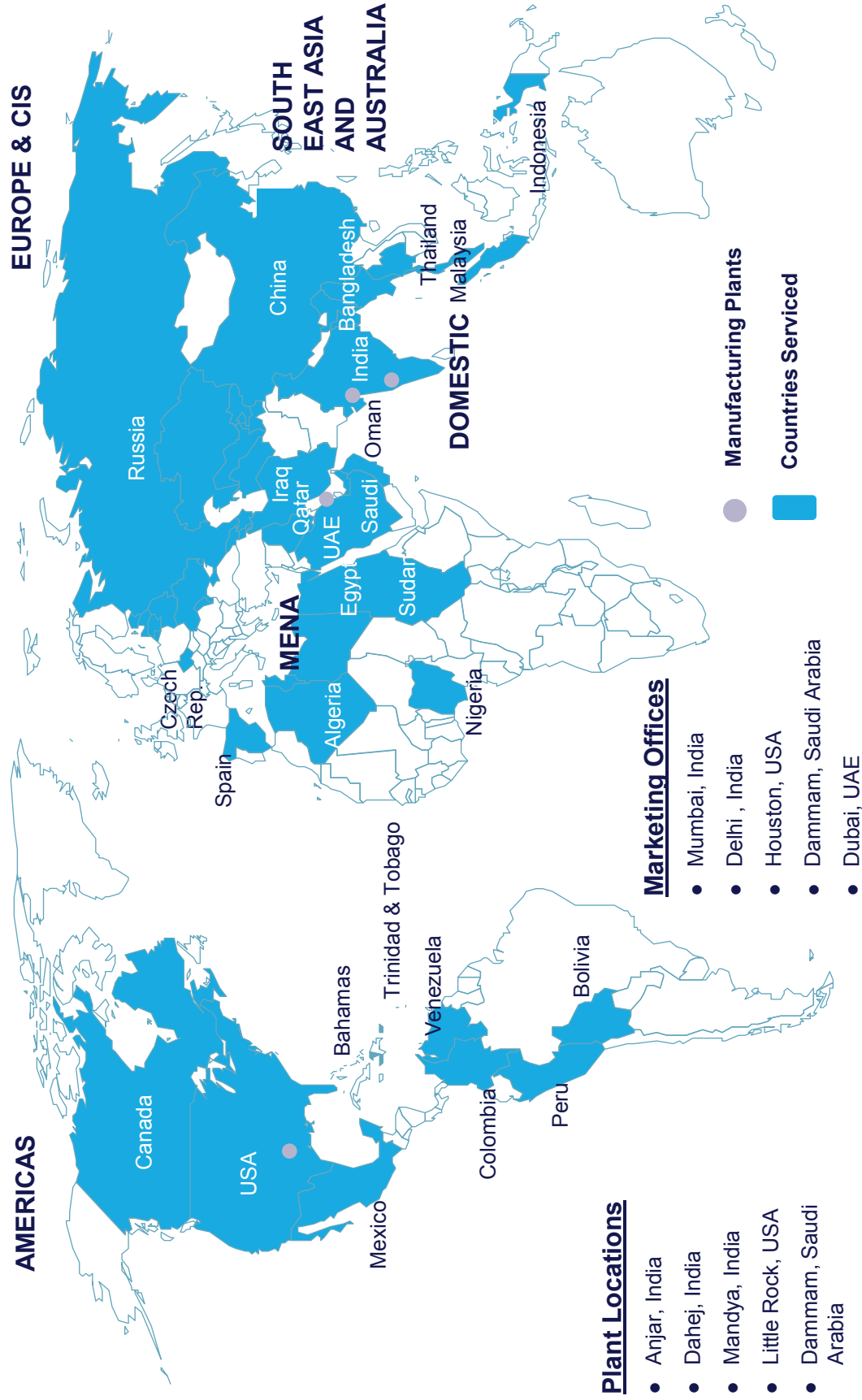
## Continuous research

Continuous research in steel, strain-based and deep sea pipelines, welding technology and consumables, and quality integrated management systems

## Technical expert team

Technical experts, who belong to various international technical committees for oil and gas pipeline research, contribute to the development of new standards for line pipe durability

# DIVERSIFIED GLOBAL PRESENCE



# Expertise in complex projects

## Independence Trail

233 Kms, 24" deep sea gas transmission pipeline in Gulf of Mexico  
**Complexity:** High collapse resistance

**Deepest**

**Heaviest**

**IGAT- IV**  
 100 Kms, 56" of high pressure gas transmission pipeline in Persian Gulf  
**Complexity:** Large diameter high wall thickness, X70 grade of steel

## Peru LNG

118 Kms, 34" gas transmission pipeline  
**Complexity:** Pipeline in service at very high altitude

**Highest**

**Keystone Pipeline**  
 Sole Supplier, Canada to USA Crude Oil Pipeline (~1700 kms, 36")  
**Complexity:** Very long distance hydrocarbon pipeline supplied by a single manufacturer

**Longest**

## Arabiyah-Hasbah (Wasit Gas Program)

100 kms, 36" of gas pipeline in Saudi Arabia  
**Complexity:** Highly sour gas

**Offshore**

**Stampede Oil Export SCR\* Pipeline**  
 ~32 kms, 18" oil pipeline in Gulf of Mexico  
**Complexity:** Only WCL could match specifications

**Stringent tolerance level**

Note: \*SCR = Steel Catenary Riser

# PARTNERSHIP WITH GLOBAL GIANTS

## Oil & gas



## Transportation



## Others



Well established customer relationships across the value chain

Note: Energy Transfer Corp is in process to acquire Williams



# EXPERIENCED PROFESSIONAL TEAM

**Braja K. Mishra**  
CEO & Managing Director

- Years with WCL: 15
- Overall Experience: 28

**S. Krishnan**  
Chief Financial Officer

- Years with WCL: 2
- Overall Experience: 32

**T.S. Kathayat**  
Head QT&TS

- Years with WCL: 19
- Overall Experience: 24

**Manish Pathak**  
President, Strategy & New Markets

- Years with WCL: 7
- Overall Experience: 25

**Skip Herald**  
Head Americas

- Years with WCL: 1
- Overall Experience: 34

**Vipul Mathur**  
Head, EU & MENA

- Years with WCL: 15
- Overall Experience: 19

**Godfrey John**  
Chief Supply Chain Officer

- Years with WCL: 15
- Overall Experience: 23

**Prasanta Mukherjee**  
Chief Technical Officer

- Years with WCL: 16
- Overall Experience: 32

**Rajeev Singh**  
CHRO

- Years with WCL: 1
- Overall Experience: 19

# OPPORTUNITIES

Global Line Pipe  
demand is attractive

Pipeline economics  
compelling at low crude  
prices

Modern manufacturing  
facilities

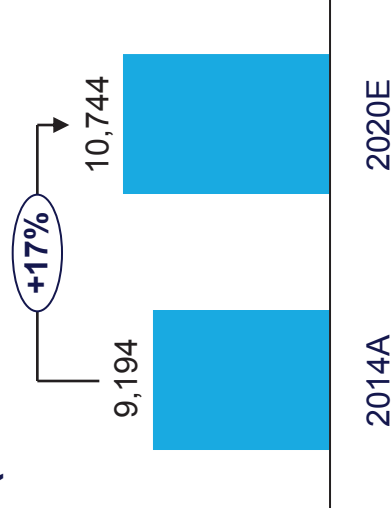
Adequate capacities  
for growth

Diversified business  
across regions &  
products

Healthy balance sheet to  
support growth

# GLOBAL LINE PIPE DEMAND IS ATTRACTIVE

## Global Line Pipe demand (KMT excl. China & CIS)



**Addressable market  
for WCL**

### North America

- Oil production trends in the US and the development of gas projects in Canada are expected to result in good demand for pipeline in North America
- Replacement demand provides further upside

### Middle East

- Focus on cross-Arabia gas transmission pipelines
- Iraq-Jordan Crude export pipeline (Total over 1,100 KM)
- Replacement of terminated oil pipelines in Kuwait
- Huge demand to distribute de-salinated water from western coast to interiors in KSA
- Possible opening up of Iran

### India

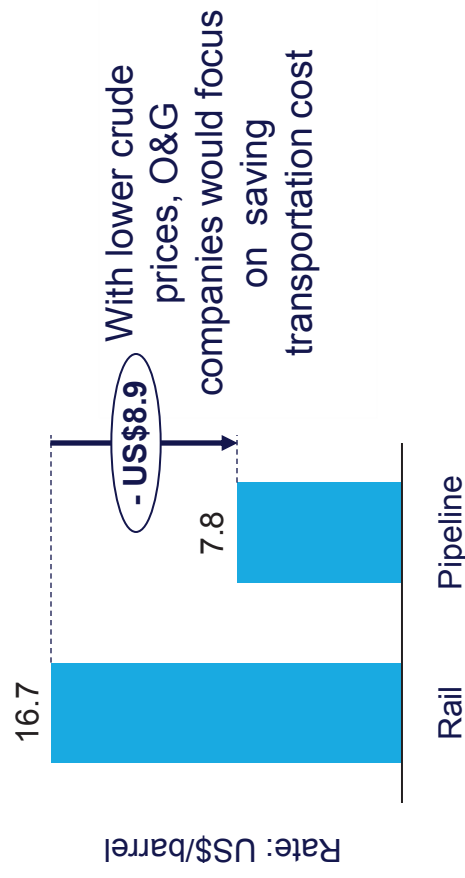
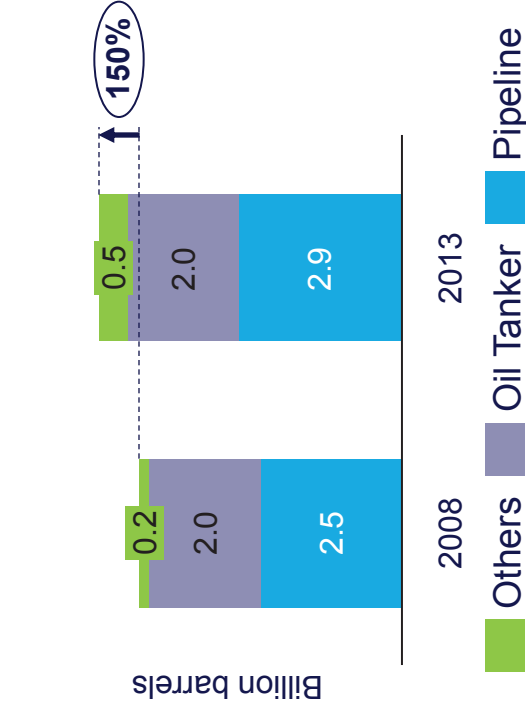
- City gas distribution pipeline projects in multiple cities
- ~1.5mn ton water pipeline projects expected in near future
- 1,820 KM Turkmenistan – Afghanistan - Pakistan – India Pipeline
- India has announced 15,000 Km of gas pipelines



# PIPELINE ECONOMICS COMPELLING

## Oil Transport

## Pipeline: Cheapest mode of transport



Source: Argus, Petroleum Transportation North America, Aug. 22, 2014.

Transportation cost for heavy crude from Alberta, Canada to Houston, Texas

## Mode of transport to undergo a shift

Pipeline is the safest mode of hydrocarbon transmission with minimal losses	Truck/ rail transport benefitted from high crude prices, boom in production	Fall in crude prices compels focus on transportation cost	Low steel prices makes pipeline more viable over longer term	Pipeline operators could use this opportunity to build cost-effective pipelines
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# MODERN MANUFACTURING FACILITIES



*Aerial view of Anjar facility – spread over >1,000 acres with captive power generation*

Port based facilities

Best in class & proven  
equipment & practices

All major certifications/ accreditations  
including API5L, OHSAS:18001,  
ISO:9001, ISO:14001, ISO:17025  
(NABL)

In-house capabilities to  
manufacture critical technology  
sensitive equipment

**Modern manufacturing facilities leads to minimum maintenance capex**

# ADEQUATE CAPACITIES FOR GROWTH



US Facility



Saudi Facility



India Facility



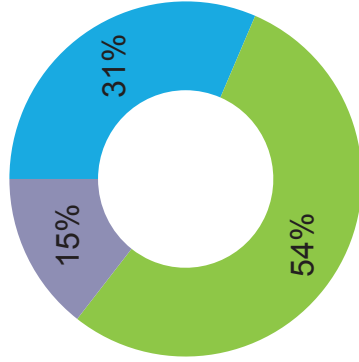
Products (KMT)	US	Saudi Arabia	India
LSAW	-	-	700
HSAW	350	300	700
ERW/ HFIW	175	-	200
Coating Systems	✓	✓	✓

**Total combined installed capacity is 2.4 mn MT**

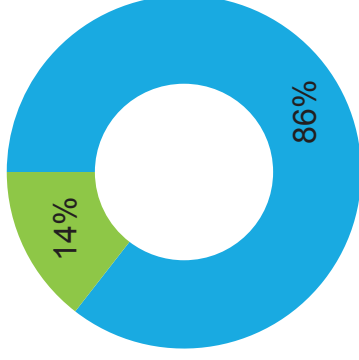


# DIVERSIFIED BUSINESS ACROSS REGIONS & PRODUCTS

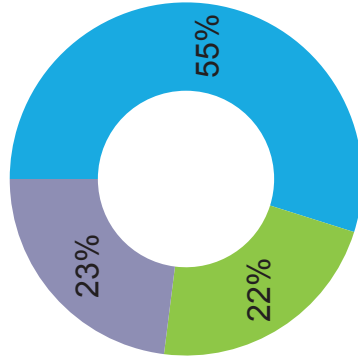
FY15 Pipe Sales Volume: 1,152 KMT



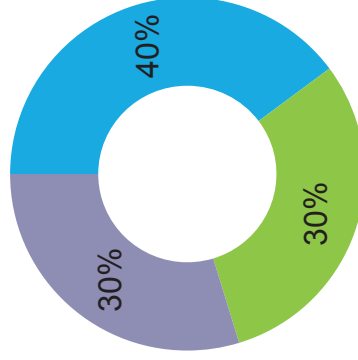
Sales by Type



Sales by Industry Segment



Sales by Plant



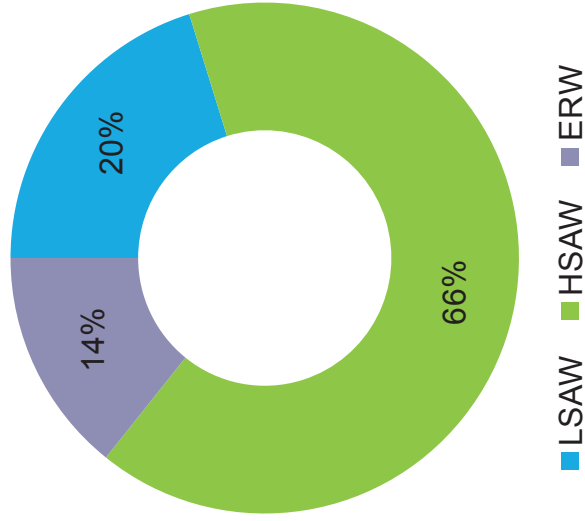
Sales by Region



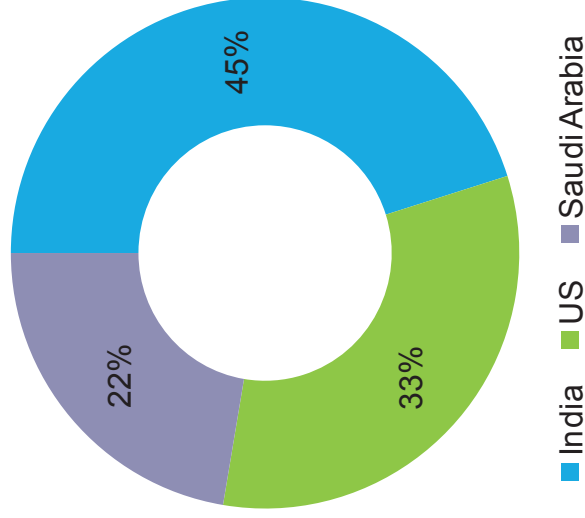
# 9M FY16: BUSINESS PERFORMANCE

9M FY16 Pipe Sales Volume: 829 KMT

Sales by Type

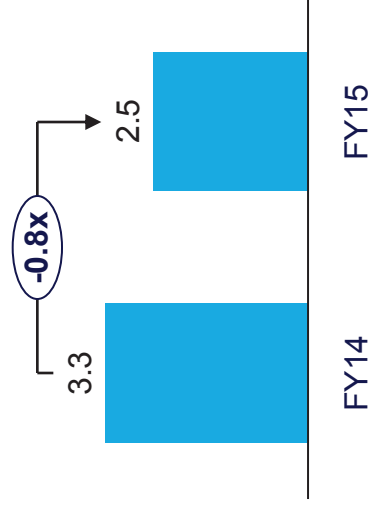


Sales by Plant

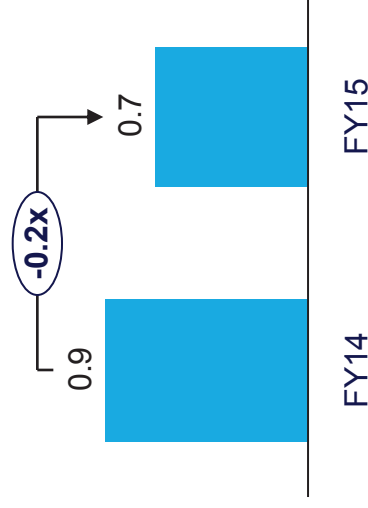


# HEALTHY BALANCE SHEET TO SUPPORT GROWTH

## Net Debt/ Operating EBITDA\*



## Net Debt / Equity



- Debt repayment is spread evenly over balance tenure
  - 56% of debt in US\$

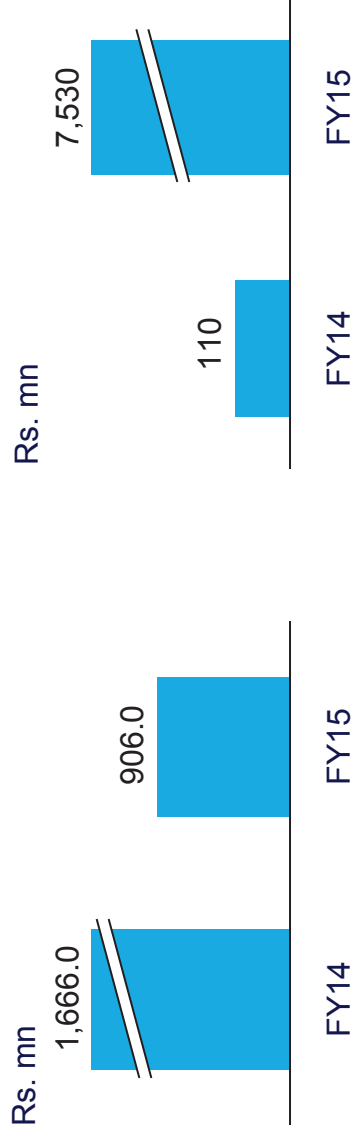
- Improved free cash flow profile

- Repaid US\$ debt of \$178 million over the last 2 years

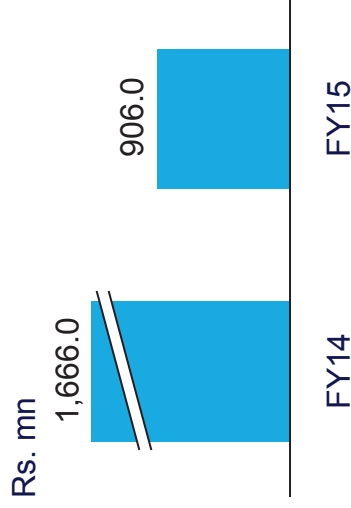
- Reduced exposure to un-hedged foreign currency debt

- FY16 capex expected to be at Rs. 2,000 mn (~2% of sales)

## Free Cash Flow

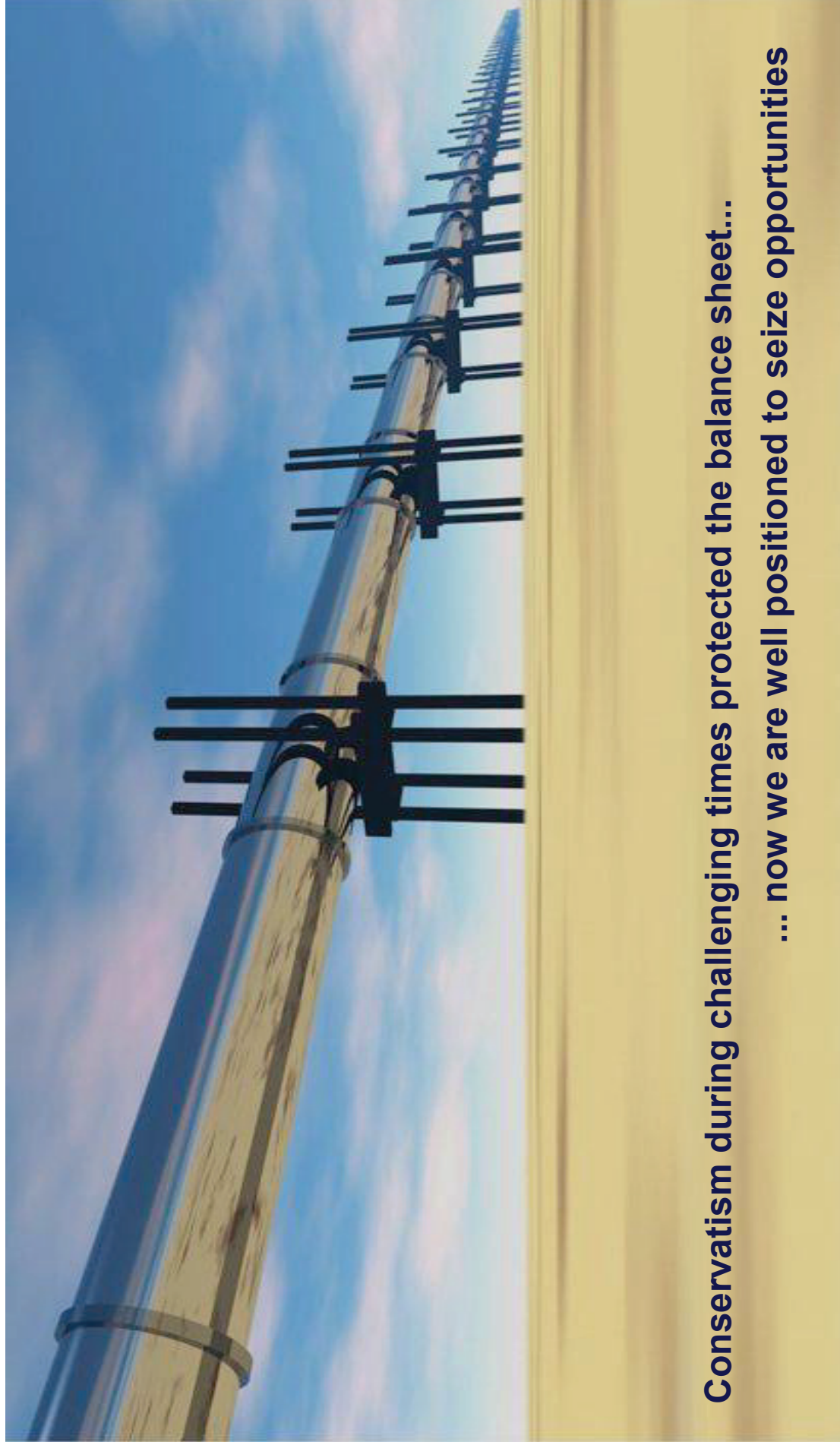


## Capex



Note: \*Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains; Decline in FY14 total sales value was largely due to temporary mothballing of the plate mill due to market conditions

# FINANCIAL HIGHLIGHTS



**Conservatism during challenging times protected the balance sheet...**

**... now we are well positioned to seize opportunities**

# STRONG ORDER BOOK POSITION & EXECUTION

Pipe sales has been significantly higher than opening order book

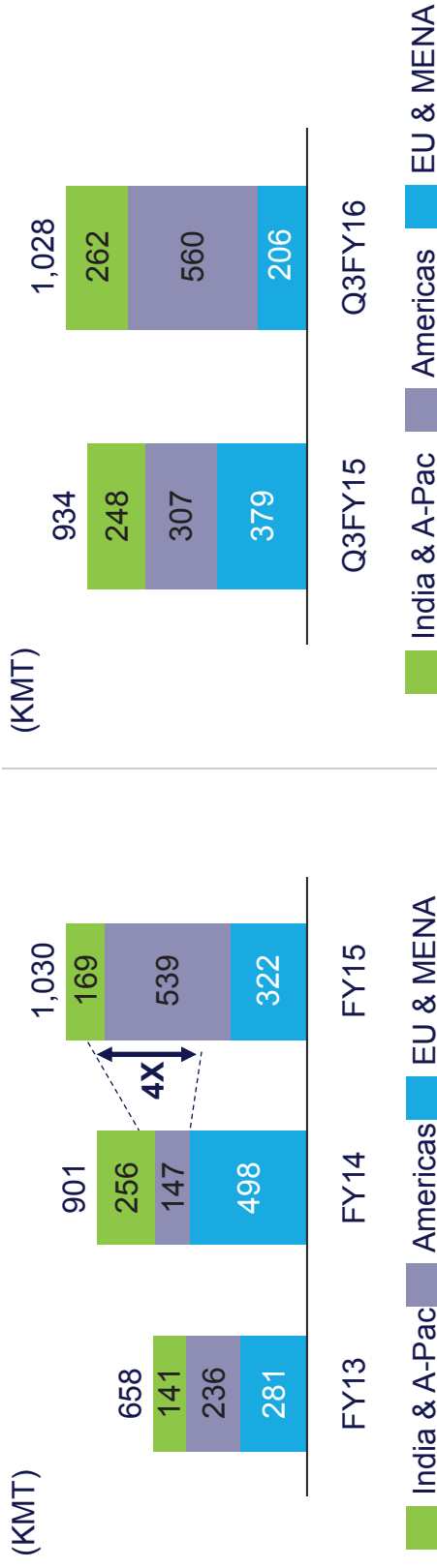
(KMT)



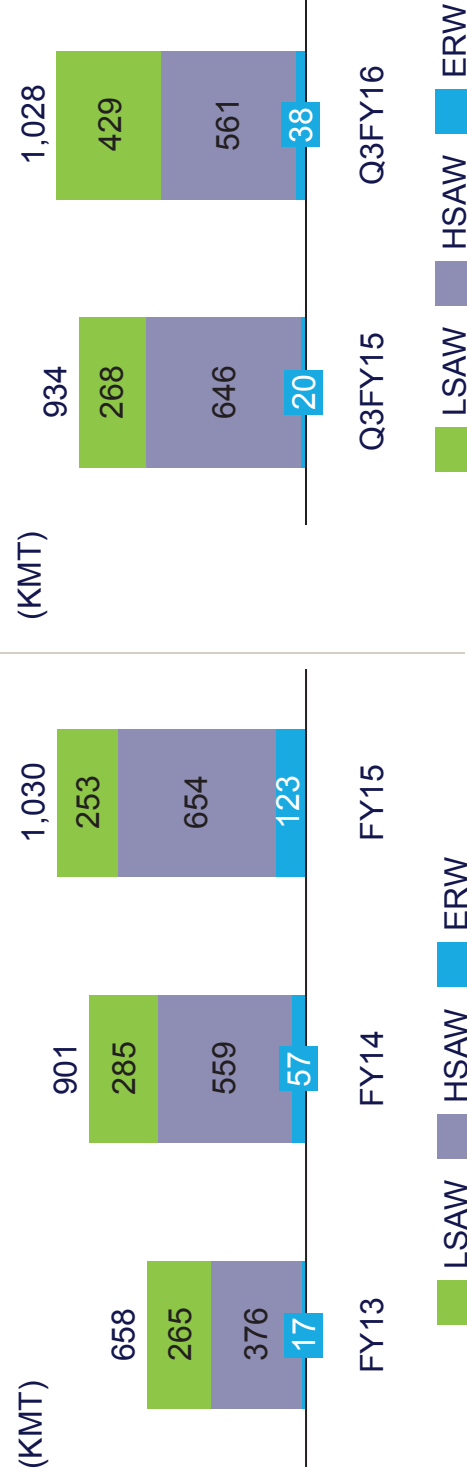


# ORDER BOOK ANALYSIS

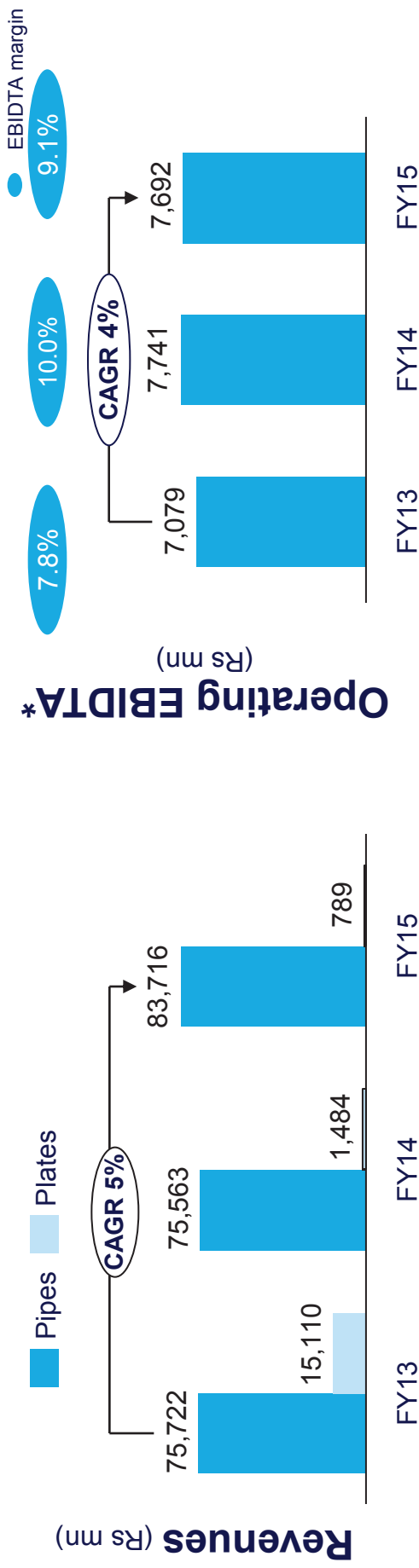
## Order book by Region



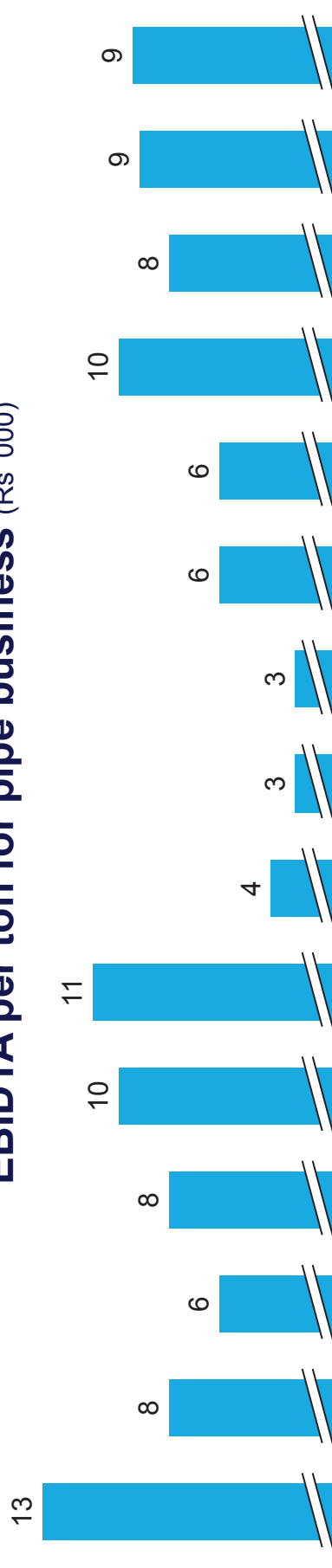
## Order book by Type



# SUSTAINABLE OPERATING PERFORMANCE



## EBIDTA per ton for pipe business (Rs '000)



Q1FY13Q2FY13Q3FY13Q4FY13Q1FY14Q2FY14Q3FY14Q4FY14Q1FY15Q2FY15Q3FY15Q4FY15Q1FY16Q2FY16Q3FY16

Note: \* Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized conditions Forex Losses (-) Unrealized Forex Gains; Decline in FY14 total sales value was largely due to temporary mothballing of the plate mill due to market



# EFFICIENT WORKING CAPITAL MANAGEMENT

Cash conversion cycle\*



**Cash conversion cycle is expected in the region of 50 days**

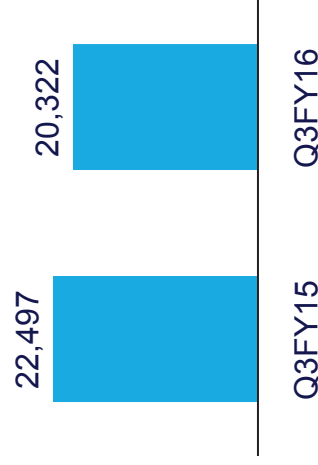
\*FY14 statistics not comparable as the plate mill was not operational during the year.



# Q3Y16 FINANCIAL PERFORMANCE

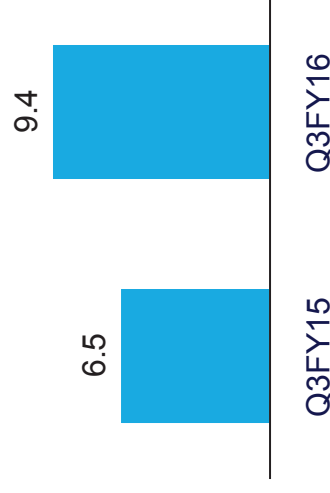
## Income from Operations

(Rs. Mn)



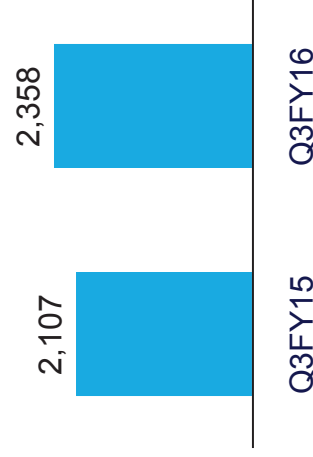
## EBITDA/Ton for Pipes

(Rs. '000)



## Operating EBITDA

(Rs. Mn)



## Consolidated PAT

869

175



- Reported production and sales of pipes for Q3 at 259 KMT and 251 KMT
- Reported production and sales of pipes for 9M at 840 KMT and 829 KMT
- Net Working Capital has reduced from 56 days in Q2 to 49 days on last 12 month basis
- Net debt at the end of Q3FY16 was at Rs.17,801 mn, down Rs. 3,252 mn Q-o-Q

Note: \* Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains

# RECONCILIATION – REPORTED & OPERATING EBITDA

Details (Rs. mn)	Q3FY16	Q3FY15	9MFY16	9MFY15
Reported EBITDA	2,957	2,425	8,534	5,371
Less : Other Income	570	239	1,129	717
Add : Unrealized FX (Loss)/Profit	(29)	(79)	498	200
Operating EBITDA	2,358	2,106	7,903	4,857

# PROFIT & LOSS

Rs mn	Q3FY16	Q3FY15	Y-o-Y	9MFY16	9MFY15	Y-o-Y	FY15
Income from operations	20,322	22,698	(10%)	64,796	61,191	6%	84,505
<b>Reported EBITDA</b>	<b>2,957</b>	<b>2,425</b>	<b>22%</b>	<b>8,534</b>	<b>5,371</b>	<b>59%</b>	<b>9,508</b>
<b>Operational EBITDA*</b>	<b>2,358</b>	<b>2,106</b>	<b>12%</b>	<b>7,903</b>	<b>4,857</b>	<b>63%</b>	<b>7,692</b>
Depreciation/Amortization	1,120	1,097		3,397	3,177		4,365
Finance Cost	622	728		1,974	2,131		2,830
<b>Profit Before Tax</b>	<b>1,216</b>	<b>601</b>		<b>3,164</b>	<b>63</b>		<b>2,313</b>
Tax	301	77		821	(602)		177
<b>Profit after Tax before minority interest</b>	<b>915</b>	<b>524</b>	<b>75%</b>	<b>2,343</b>	<b>664</b>	<b>253%</b>	<b>2,135</b>
Minority Interest	46	349		298	1412		1,445
<b>Profit after minority interest &amp; associates</b>	<b>869</b>	<b>175</b>	<b>396%</b>	<b>2,044</b>	<b>(747)</b>		<b>690</b>

Note: \*Operational EBITDA = Reported EBITDA – Non-operational income – Unrealised forex gain/(loss)

Prior period figures are reinstated wherever necessary

## For further information, please contact:

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harish\_venkateswaran@welspun.com  
+91-2266136584

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

### Investor Relations Advisors :

#### Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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[www.sgapl.net](http://www.sgapl.net)