

WCL/SEC/2022

August 4, 2022

To,

BSE Ltd. Department of Listing, P. J. Towers, Dalal Street, Mumbai - 400 001. (Scrip Code: Equity - 532144), (NCD - 948505, 960468, 960491 and 973309)	National Stock Exchange of India Ltd. (Symbol: WELCORP, Series EQ) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
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Dear Sirs/ Madam,

Sub.: Business Update and Investors' Presentation.

In continuation of our letter dated August 4, 2022, please find attached herewith the Business Update and Investors' Presentations which is being released to the media simultaneously.

For Investor Relations and Media Queries Contact: Mr. Gaurav Ajjan at Gaurav_Ajjan@welspun.com / +91 22 6613 5748

Kindly take note of the above.

Thanking You.

Yours faithfully,

For **Welspun Corp Limited**

Pradeep Joshi
Company Secretary
FCS-4959

Welspun Corp Limited

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

E-mail : companysecretary_wcl@welspun.com Website : www.welspuncorp.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 2836 662222 F : +91 2836 279060

Corporate Identity Number: L27100GJ1995PLC025609

Robust Outlook for FY23

Order Book for Line Pipes in excess of 1 Million MT

August 4, 2022, Mumbai: Welspun Corp Ltd. (WCL), a flagship Company of the Welspun Group, announced its consolidated financial results for the quarter ended June 30, 2022.

- **Order Book for Line Pipes in excess of 1 Million MT, active bid book of 1.9 Million MT**
- **Preparing to execute on WCL's largest order ever (valued at Rs. 5000+ cr) in the US**
- **Business Growth and Diversification Strategy on track: Commissioning of state-of-the-art Blast Furnace and Sinter plant, and TMT Bars facility**
- **Voluntarily published the first Business Responsibility and Sustainability Report (BRSR) as early adopters**

Note: Sales Volume & Order Book includes our Saudi operations

Key Highlights of the Quarter ended June 30, 2022

- *Prior period figures are restated after the acquisition of the Steel business of Welspun Steel Limited*
- *Financial Highlights (Consolidated) for Continuing Operations (Ind AS)*

1. Global Order Book – Line Pipes

- Current Global Order Book stands at 1,020 KMT valued at Rs. 13,350 cr

2. Sales Volumes (Q1 FY23)

- Line Pipes: 157 KMT vs. 175 KMT YoY | Billets: 36 KMT vs. 45 KMT YoY
- SS Bars: 1,557 MT vs. 142 MT YoY | SS Pipes 692 MT vs. 358 MT YoY

3. Revenue from Operations

- Revenue from Operations for Q1 FY23 at Rs. 1,322 cr

4. EBITDA

- Reported EBITDA for Q1 FY23 at Rs. 102 cr

5. Profit (Continuing Operations)

- PAT (after Minorities & share of JVs) stands at Rs. 4 cr

6. Net Debt / (Cash) position

Figures in Rs. Cr

Consolidated debt	Jun-22	Mar-22	Mar-21
Gross Debt	2,063	2,021	963
Cash & Cash Equivalents	2,179	2,195	1,410
Net Debt / (Cash)	(116)	(173)	(447)

7. Dividend

The Board has recommended a final dividend of Rs. 5.00 per share which is 100% of the Face Value for FY22 and was paid after the AGM on 29 July, 2022.

We have demonstrated a strong performance track record with average sales volume of more than a million MT in the last 5 years which has led to generation of healthy cash flows from the business. This has helped us in deleveraging and strengthening our Balance Sheet while reinvesting for growth.

KMT	FY18	FY19	FY20	FY21	FY22
Sales Volumes - Line Pipes	1,082	1,279	1,502	1,003	796

INR Cr	FY18	FY19	FY20	FY21	FY22
Cash from Operations	981	623	648	774	219

FY22 excludes Cash Flow impact of Gain of Rs.359 crores in “Other Income” from the Saudi IPO & proceeds from the Sale of the PCMD business of Rs. 806 crores

This has enabled us to reward shareholders. We have been a consistent dividend paying company and also did a buyback of shares in FY20.

INR	FY18	FY19	FY20	FY21	FY22
Dividend Per Share	0.5	0.5	10.5	5.0	5.0
Basic EPS - Consolidated (Cont. Ops)	6.0	2.6	25.6	24.1	16.8
Payout Ratio	8%	19%	41%	21%	30%

1) Face Value = Rs. 5.00 per share 2) Interim Dividend (One-time) of Rs. 10.00 per share declared in FY20

8. Business Outlook

Oil prices have moved in a range with concerns about supply as Western sanctions on Russian crude and fuel supplies have disrupted trade flows to refiners. On the other hand, there are rising worries that central bank efforts to tame surging inflation may trigger a recession that would cut future fuel demand.

Spot Steel prices across the world have remained under pressure in the last few months. Recessionary pressures, lower consumer confidence and renewed fears of a lockdown in China have led to the downward pressure on prices. Steel Prices have dropped significantly domestically in India after the Ministry of Steel imposed an export duty of 15% in May 2022.

The current environment of high energy prices coupled with a decline in global prices of steel augurs extremely well for us. We are in active discussions for several export orders across the world which we hope to win in due course of time. This comes at a strategic time as the European Union seeks to wean itself off Russian gas following the invasion of Ukraine, and is seeking alternative sources. In addition, there is a significant demand from South East Asia, Middle East and Africa which should create a robust order pipeline for exports.

India

Gas demand prospects in India remain strong as the Government has set a target to raise the share of natural gas in the energy mix from the current 6.7% to 15% by 2030. According to IEA, India's total gas consumption is projected to increase by 19% (13 bcm) during the 2021-2025 period, which is equivalent to a 4% annual average growth rate.

The industrial sector will remain the biggest driver of growth between 2021 and 2025, accounting for about 40% of the net increase in India's natural gas consumption. The residential and commercial and transport sectors will make similarly strong contributions thanks to the continued expansion of the domestic gas grid. Gas use in the power generation sector is set to decline by 14% in the 2021-2025 period as high imported and rising domestic prices render gas-fired power uncompetitive relative to other fuels. Approximately two-thirds of India's incremental gas demand is set to be satisfied with growing domestic production. The remaining one-third has to be met with imported LNG, but even after the 11% increase in LNG inflows foreseen in 2021-2025, total LNG demand in 2025 will stay slightly below the 2020 peak as high prices discourage greater LNG use in the years ahead.

The policy framework remains supportive for natural gas use in India, although affordability has emerged as a major concern. The expansion of the city gas distribution grid is set to continue (and accelerate further after the conclusion of India's 11th bid round this year). The size of India's gas transmission network could increase by 75% and LNG import capacity could grow by 40% during the forecast period with the completion of projects currently under construction. (Source: IEA - Gas Market Report Q3-2022)

We are seeing demand coming back in the Water sector which has been muted since the start of the pandemic. With a cooling off in steel prices, projects that were put on hold are now being proposed to be completed. There is increased traction across States like Gujarat, Maharashtra, Tamil Nadu, Karnataka, Madhya Pradesh, Punjab and Rajasthan.

There is a strong intent to meet the ambitious targets as envisaged in various Government schemes. The focus by both the Central and State Governments on developing water infrastructure is expected to drive the demand for large diameter HSAW pipes and DI Pipes.

USA

U.S. pipeline operators are expected to have benefited from high oil and gas prices and rising domestic production in the second quarter of 2022. Natural gas projects are expected to be the mainstay of growth in coming years as production rises. There is increased demand for exports to new customers in Europe, which is trying to diversify away from Russian energy, and in Asia, where many countries are boosting imports of LNG. EIA estimates that U.S. LNG exports averaged 11.2 billion cubic feet per day (Bcf/d) in 1H22, compared with 9.5 Bcf/d in the same period in 2021. It expects LNG exports to average 10.9 Bcf/d in 2022 and 12.7 Bcf/d in 2023.

After years of under-investment the US is focused on boosting oil and gas supply within the country. The number of active oil and natural gas drilling rigs in the United States rose by 272, or 56%, in the past year to the highest point since March 2020.

Date of Last Year's Count	Count	Last Count	Count	Change from Last Year
16 July 2021	484	15 July 2022	756	+272

Source: Baker Hughes

We recently announced winning of the single largest order in our history for supply of pipes valued at Rs. 5000 + crores (approx) in the US. This order is for supply of 325,000 MT (approx) of large diameter coated pipes for transporting natural gas from the Permian Basin to Houston. The pipes for this order will be produced from our Little Rock plant in the US and the same will be executed over a period of 12 months, commencing H2 of FY23. This large new order from the US comes on the back of another win we had announced in April 2022, of a 26,000 MT order from a long-standing customer in North America.

Saudi Arabia

Saudi Arabia intends to invest in fossil-fuels production over the next two decades to meet growing global demand and avoid energy shortages. Saudi Aramco aims to boost its capex to US\$40 billion-US\$50 billion in 2022, with further growth expected until around the middle of the decade. It plans to raise crude oil "maximum sustainable capacity" to 13 million barrels a day by 2027, and wants to boost gas production by more than 50% by 2030.

With surging oil prices, we are confident that opportunities will arise, both in the Oil & Gas and the Water segment.

In July 2022, our associate company, East Pipes Integrated Company for Industry (EPIC) in the Kingdom of Saudi Arabia (KSA), was awarded with a contract by SWCC for manufacture and supply of steel pipes. The contract was valued at SAR 324 million (approximately) and the same will be executed in this financial year. This is in addition to the recent award of an SAR 490 million contract in May 2022 and SAR 497 million contract in March 2022, both of which were also awarded by SWCC.

9. Long Steel Products

Infrastructure investment is witnessing a renewed impetus from the government as India aims to achieve a US \$5 trillion economy. A series of structural reforms have been announced that have set the foundation for economic growth on the back of infrastructure development. One such reform taken last year, was the launch of the PM Gati Shakti National Master Plan. The Rs. 100 lakh crore mega plan was launched with a digital platform to bring 16 ministries together for integrated planning and implementation of projects.

Under the Pradhan Mantri Awas Yojana-Urban's (PMAY-U) 'Housing for All' mission, central assistance has been provided to states and Union Territories (UTs) since 2015 for giving all-weather “pucca” houses to eligible urban beneficiaries including homeless people. Based on project proposals submitted by states and UT's a total of 1.22 crore houses have been sanctioned till 31 March, 2022 of which around 41 lakh houses have been sanctioned in the last two years.

Overall, the focus on development is visible and the demand for Long Steel Products will be supported by increased spending on infrastructure and construction.

10. Welspun Specialty Solutions Limited (WSSL)

- Stainless Steel Bars volumes were higher by 997% (SMS started during Q3 FY22) and Pipe volumes higher by 93% for Q1 FY23, both compared to the corresponding period in the previous year.

Particulars	Q1 FY23	Q4 FY22	Q1 FY22	FY22
Stainless Steel Bars (MT)	1557	1248	142	1531
Pipes (MT)	692	1160	358	2915

- BIS standard for Seamless tubes & pipes (BIS 17875) has been introduced which is favourable for WSSL. The company has already initiated the process to obtain the accreditation.
- WSSL received its first order from an Oil & Gas sector PSU for Monel 400 Grade tubes. The company also delivered its first order of High Pressure Heater tubes in Grade 304N “U” Tubes.
- Overall, WSSL expects its improved performance to sustain on the back of several new customer approvals and accreditations.

11. Merger Update - Acquisition of Steel business of Welspun Steel Limited

The transaction was completed on 16 March, 2022 with the Appointed Date of April 1, 2021. In line with the accounting standards, all prior figures including for the year ended March 31, 2021 have been restated after consolidation of the demerged steel undertaking of WSL and WSSL.

12. Update on Ductile Iron Pipe & TMT Bars Projects

The commissioning of the state-of-the-art Blast Furnace and Sinter plant, and TMT Bars manufacturing facility at Anjar, Gujarat was completed in July 2022.

The Blast Furnace can produce approximately 500,000 MT of Hot Metal per annum which will primarily be used for manufacturing Pig Iron and Ductile Iron (DI) Pipes. The trial production for DI pipes has also started and the facility has recently received BIS certification. This integrated complex is equipped with the latest

cutting-edge technology, and will include Blast Furnace, Sinter Plant, PCI & Oxygen Plant, Coke Oven, besides a 400,000 MT per annum capacity DI pipe plant.

The TMT bar manufacturing facility has a capacity of 350,000 MT per annum. We have an existing manufacturing set-up of BIS Certified Steel Billets and Direct Reduced Iron which will be used as inputs for the manufacture of TMT bars.

13. Acquisition of Sintex BAPL Ltd.'s Non-Convertible Debentures

WCL's growth strategy entails creating a diversified product portfolio, repurposing its business to add new target segments, expanding its offerings to address both the B2B and B2C markets, and making well-considered strategic acquisitions. In this regard, we have acquired Sintex BAPL Ltd.'s Non-Convertible Debentures with outstanding of Rs. 1,222 Crore for a purchase price of Rs. 418 Crore (as on date) by our wholly-owned subsidiary viz. Mahatva Plastic Products And Building Materials Private Limited.

14. Future Performance Drivers

A) Hydrogen Gas Transportation and Clean Fuel Transition

As energy demands across the world evolve rapidly, we are undertaking strategic interventions in new opportunities and segments.

We have joined a global H2Pipe Joint Industry Project (JIP) on the Design and Operation of Hydrogen Pipelines launched by leading industrial certification body DNV AS Energy Systems Pipeline Technology. We are helping to develop a recommended practice for design, re-qualification, construction and operation of pipelines for hydrogen gas transportation in offshore pipelines and complement existing standards such as DNVGL ST F101 (submarine pipeline systems). This industry-first project will provide guidance to the global energy sector as it shifts towards clean energy using alternative sources, with Hydrogen emerging as an important pillar for energy transition.

As a Steering Committee Member, we are collaborating with 24 of the world's premier energy companies, to provide technical expertise in the project aimed at laying the foundation of hydrogen infrastructure. The H2Pipe project is being executed in multiple phases. The first phase will focus on the assessment of existing standards, including the offshore standard DNVGL-ST-F101, to identify the scope and additional considerations for hydrogen transportation. This will be captured in an industry guideline and will include preliminary experimental activities. The subsequent phases will be experimental to define the requirements and acceptance criteria for offshore hydrogen pipelines.

We have also signed an MOU with Tata Steel to develop the framework for and subsequently manufacturing pipes for transportation of pure hydrogen and natural gas-blended hydrogen. The green energy strategic partnership is to assess the suitability of a variety of pipes manufactured by us for the transportation of Hydrogen.

Other focus areas for us to support the clean energy transition include:

- Carbon Capture & Emission Reduction Technologies
- Green Steel with Lowest Carbon Footprint Possible
- Investment in Renewables to meet Carbon Reduction Targets

B) DI Pipes

The Jal Shakti Ministry was allocated a total of Rs. 86,189 crore for FY23 higher from Rs. 69,052 crore allocated in the previous fiscal year. Our internal forecasts based on interactions with various industry participants, indicate a robust demand for DI pipes over the next 5-7 years with projected demand outstripping supply. We currently estimate prospective bids of around 2.3 million metric tonnes for DI Pipes.

C) Stainless Steel Tubes & Pipes

There is a big push for localization of these products under Atmanirbhar Bharat initiatives. Implementation of quality order and mandatory BIS certification in India will act as major catalysts for the growth of this sector. The Key Sectors are Power, Nuclear & Defence from where we see a significant demand pull.

D) TMT Bars

There is a demand uptick stemming from the Government's thrust on infrastructure, particularly in the rural markets, apart from a pickup in construction activity. This will lead to an increased offtake of Long Products. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31

E) Polymers

India's per capita consumption of polymers stands at 11 kgs, which is one tenth of that of the United States and less than a third of that of China. There has been a rapid rise in polymer consumption in India in the last few years. It is estimated that India's polymer consumption will continue its growth momentum and record a CAGR of 8 percent. Consumption is expected to double till 2030 and thereafter quadruple from the current level between 2030 and 2040.

Sintex is a National Brand with more than 10% market share (year: 2018) in India. It has three major lines of businesses:

- Plastic Products - Water Tanks, Interiors & Institutional Products
- Indian Custom Moulding - Automobile Plastic Moulded Parts
- BR Rototech - Fuel Tanks for Autos

Before getting into financial stress, Sintex BAPL achieved a turnover of ~ Rs. 1,700 Crore in FY '19 with an EBITDA of ~ Rs. 270 Crore (16.1% Margin).

The diversification into the B2C segment will help WCL to significantly expand its base, enhance its brand, penetrate new markets, build a distribution network and provide opportunities to develop new products.

Sintex BAPL is popular for Water Storage Tanks, which have a strong brand connect with consumers. It has a wide sales and distribution network of approximately 900 Distributors and 13,000 Retailers. There are potential synergies for leveraging this extensive Distribution Platform for products within the group. In addition, the distribution reach can help us incubate and launch new products and establish a new Building Materials vertical in WCL.

15. ESG Initiatives

SEBI has stated that with effect from the financial year 2022-2023, filing of BRSR shall be mandatory for the top 1,000 listed companies (by market capitalization) and shall replace the existing Business Responsibility Report (BRR). Filing of BRSR is voluntary for the financial year 2021-22. As a proactive measure, we have mapped ESG information with the requirements of BRSR.

In the coming years, our strategic focus would be to undertake action and allocate adequate resources to achieve our ESG goals in alignment with associated business goals. Some of the priorities for us are:

- Energy-efficiency measures, prioritizing renewable energy strategies

- Effects on the wellbeing and prosperity of employees and stakeholders

- Monitoring targets and communicate to stakeholders on a timely basis while prioritizing our Environment and Social goals

- Sustainable supply chain program

- Highest level of transparency and disclosures

We have a holistic long term vision aligned with our business, social and environmental objectives aimed at establishing a healthy ecosystem of economic growth and societal value creation. As we move into the future, ESG will be the cornerstone of our financial success, competitive advantage, and future accomplishments.

Management Comments

“I am very proud of the team who have delivered the Steel Complex and our TMT bar facility. They stayed on course with their purpose and delivered these world class facilities despite multiple external challenges. We are keen to contribute to India’s growth story and these newly commissioned plants will further strengthen our efforts in developing our nation’s infrastructure and improving the lives of people across the country. Also, our focus on future needs like Hydrogen, Carbon Capture, Green Steel and Renewable Energy is going to set the tone for future growth, and at the same time, help in meeting our ESG & Sustainability Goals” said Mr. B. K. Goenka, Chairman, Welspun Group.

“Our order backlog in the line pipes business is once again more than a million metric tonnes. This demonstrates our deep customer connect and flawless track record of execution. With our manufacturing presence in key demand centers across the world, and Business Growth and Diversification plans on track, I am confident of a bright future ahead,” he added.

Consolidated Performance Snapshot

Sales Volumes	Q1FY23	Q4FY22	Q1FY22	FY22
Line Pipes (KMT)	157	269	175	796
Billets (KMT)	36	18	45	112
SS Bars (MT)	1,557	1,248	142	1,531
SS Pipes (MT)	692	1,160	358	2,915

Figures in Rs. Cr

Consolidated Profit & Loss Account	Q1FY23	Q4FY22	Q1FY22	FY22
Continuing Operations				
Total Revenue from Operations	1,322	2,011	1,510	6,505
Other Income	73	402	37	551
Reported EBITDA	102	474	207	1,023
Depreciation and Amortisation	61	63	64	255
Finance Cost	31	30	22	102
Profit before tax and share of JVs	10	380	121	666
Share of profit/(loss) from Associates and JVs	4	13	3	(6)
Tax expense	14	130	37	216
Non-controlling interest	(5)	27	(8)	5
PAT after Minorities, Associates & JVs	4	236	94	439
Basic EPS from Continuing Operations	0.2	9.0	3.6	16.8

Prior period figures have been restated, wherever necessary

Saudi Financials

Key figures of East Pipes Integrated Company for Industry (EPIC):

Figures in SAR Mn

Particulars in SAR MN	Q1FY23	Q4FY22	Q1FY22
Saudi Arabia Ops:			
Sales / Revenue	206	194	149
Gross Profit	19	22	11
Operational Profit	12	15	9
Net Profit after Zakat and Tax	6	14	2
Total Comprehensive Income	6	15	2

Prior period figures have been restated, wherever necessary

Q1 FY23 Investor & Analyst conference call: Friday, 5th August 2022 | Time: 10:00 AM IST

- Primary Access: +91 22 6280 1325 / +91 22 7115 8226
- International Toll-Free numbers
 - Hong Kong: 800 964 448
 - Singapore: 800 1012 045
 - UK: 0808 101 1573
 - USA: 1866 746 2133

About Welspun Corp Ltd. (WCL)

Welspun Corp Ltd. (WCL), a flagship company of the global conglomerate 'Welspun Group', is one of India's fastest-growing multinationals with a leadership position in line pipes, home textiles, infrastructure, warehousing, retail, advanced textiles, and flooring solutions.

WCL is a one-stop service provider offering end-to-end pipe solutions ranging from 1½ inches to 143 inches. The company's ever-expanding goals and targets have helped them reach out to several parts of the world - six continents and fifty countries - where they've successfully supplied pipes to numerous critical projects globally, both for offshore and onshore applications.

Welspun Corp Ltd. is synonymous with great quality and an impeccable execution track record, coupled with world-class technology and innovation. Their line pipe capabilities encompass HFW (High-Frequency Welded), HFIW (High-Frequency Induction Welded), HSAW (Horizontal Submerged Arc Welded), and LSAW (Longitudinal Submerged Arc Welded). The company also manufactures BIS Certified Steel Billets, Direct Reduced Iron, Stainless-Steel Pipes, Tubes & Bars.

Additionally, they have forayed into the production of Pig Iron & the manufacture of DI Pipes, catering to growing water infrastructure requirements. WCL's growth strategy entails creating a diversified product portfolio, repurposing its business to add new target segments, expanding its offerings to address both the B2B and B2C markets, and making well-considered strategic acquisitions.

The diversification into the B2C segment will help the Company to significantly expand its base, enhance its brand, penetrate new markets, build a distribution network, and provide opportunities to develop new products. In this pursuit, WCL has also announced the commencement of its TMT facility, thereby taking the company's portfolio from being a large-scale B2B business to a B2C business in the next few months. WCL is also foraying into polymer/plastic business segment, which is another step towards creating a strong B2C organization in line with the overall strategy.

For further information please visit www.welspuncorp.com

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Welspun Corp Limited

Investor Presentation | Q1 FY23



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With respect to all disclosures provided herein, the statements contained herein may be pertaining to future expectations and other forward-looking statements which involve risks and uncertainties that are subject to change based on various important factors (some of which are beyond the Company’s control). These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers including with respect to the consolidated results of operations and financial condition, and future events and plans of the Company. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “forecast,” “project,” “anticipate,” “likely,” “target,” “expect,” “intend,” “continue,” “seek,” “believe,” “plan,” “goal,” “could,” “should,” “would,” “may,” “might,” “will,” “strategy,” “synergies,” “opportunities,” “trends,” “future,” “potentially,” “outlook” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and actual results, performances or events may differ from those in the forward-looking statements as a result of various factors and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of the Company on future events. No assurance can be given that future events will occur, or that assumptions are correct. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

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Q1 FY23 at a Glance

Pipes		Other Verticals	
<p>Production (Line Pipes)</p> <p>158 KMT</p> 	<p>Sales (Line Pipes)</p> <p>157 KMT</p> 	<p>Sales (Billets)</p> <p>36 KMT</p> 	<p>Sales (SS Pipes)</p> <p>692 MT</p> 
<p>Order Book (Line Pipes)</p> <p>1,020 KMT</p> 	<p>Active Bids – Outlook (Line Pipes)</p> <p>1,930 KMT</p> 	<p>Sales (SS Bars)</p> <p>1,557 MT</p> 	

Note: Pipe Sales & Production volumes and Order Book include Saudi Arabia operations

Financial Results for Q1 FY23

Particulars (Rs Cr)	Q1FY23	Q4FY22	QoQ	Q1FY22	YoY
Total Revenue from Operations	1,322	2,011	-34.3%	1,510	-12.5%
Other Income	73	402	-81.9%	37	96.0%
Reported EBITDA	102	474	-78.6%	207	-50.8%
Depreciation and Amortisation	61	63	-3.4%	64	-3.9%
Finance Cost	31	30	2.1%	22	40.6%
Profit before tax and share of JVs	10	380	-97.4%	121	-92.0%
Share of profit/(loss) from Associates and JVs	4	13	-72.4%	3	43.2%
Tax expense	14	130	-89.0%	37	-61.4%
Non-controlling interest	(5)	27	-118.5%	(8)	-33.7%
PAT after Minorities, Associates & JVs	4	236	-98.3%	94	-95.6%
Basic EPS from Continuing Operations	0.2	9.0	-98.3%	3.6	-95.6%

Q4FY22 includes Gain of Rs.359 crores in “Other Income” from the Saudi IPO

Note:

- Consolidated Financials pertaining to continuing operations
- Prior period figures are restated wherever necessary

Financial Performance

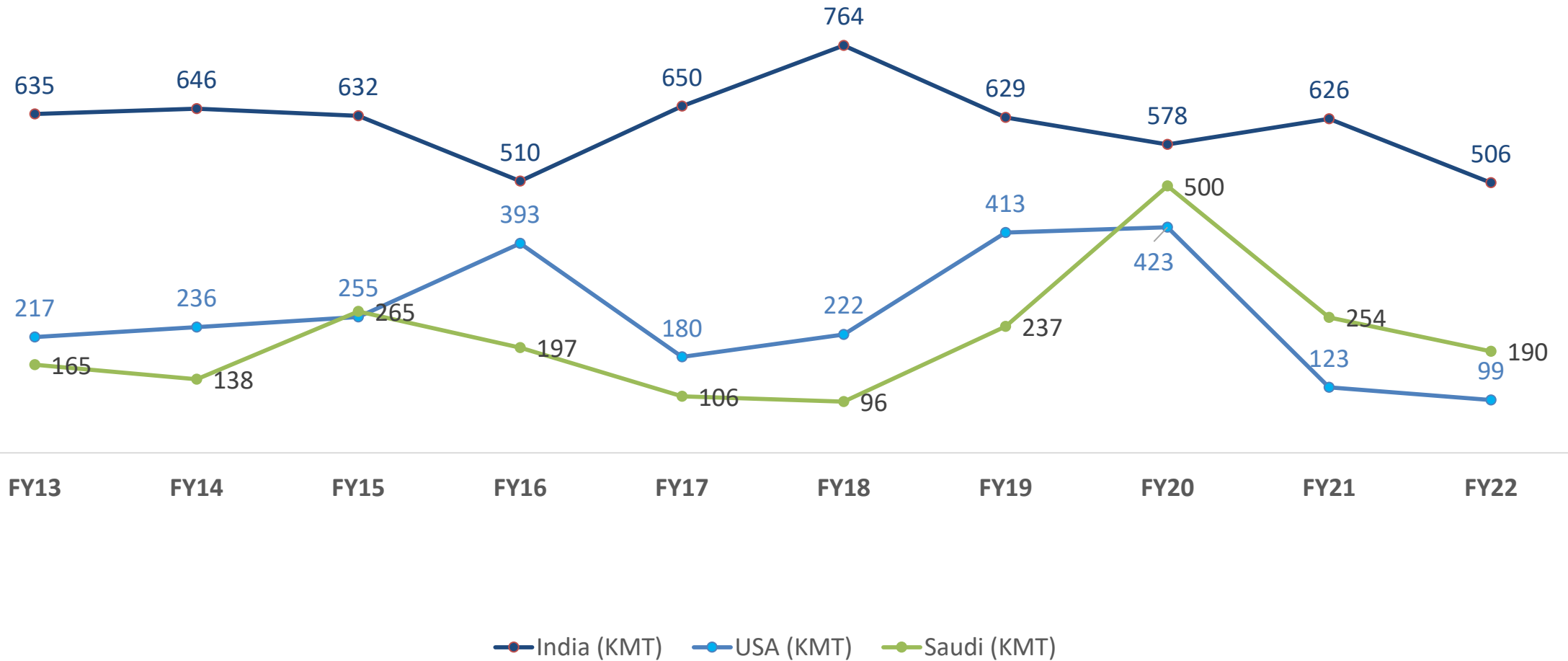
Consistent Performance has resulted in a Strong Balance Sheet

Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Q1FY23
Revenue (INR cr)	9,083	7,705	8,451	7,380	6,035	7,587	8,954	9,957	7,153	6,505	1,322
EBITDA (INR cr)	919	844	951	891	737	815	708	1,276	1,152	1,023	102
Basic EPS	6.1	2.8	2.6	5.8	1.0	6.0	2.6	25.6	29.8	16.8	0.2
Net Worth (INR cr)	2,750	2,957	2,799	2,799	2,809	2,854	2,798	3,215	4,209	4,528	4,575
Net Debt / (Cash) (INR cr)	2,314	2,568	1,910	1,355	1,106	422	286	32	(447)	(173)	(116)
Net debt/Equity	0.84x	0.87x	0.68x	0.48x	0.39x	0.15x	0.10x	0.01x	-0.11x	-0.04x	-0.03x

Note:

- Consolidated Financials
- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures
- From FY19 figures are pertaining to continuing operations only

Sales Volume Mix: Line Pipes



Business Outlook

Line Pipes

India continues to be strong, both in O&G & Water sectors, with strong emphasis on creating an O&G pipeline network across the country. Also water distribution network and irrigation is a key priority. Further, CGD connectivity will provide a huge impetus for ERW pipes. Active discussions for several orders in the export markets which have seen an improvement in prospects due to high oil prices, increased demand and Europe looking to diversify its energy supply. Saudi market strong, Saudi Aramco has increased its capital expenditure guidance to \$40 billion - \$50 billion for 2022 from \$31.9 billion in 2021. O&G market in the US also buoyant as evident from the recent order win (single largest order in the history of the company).

Ductile Iron Pipes

Huge impetus on creating drinking water supply infrastructure. Jal Shakti Ministry was allocated a total of Rs. 86,189 crore for FY23 higher from Rs. 69,052 crore allocated in the previous fiscal year. Our internal forecasts based on interactions with various industry participants, indicate a robust demand for DI pipes over the next 5-7 years with projected demand outstripping supply.

Long Products

Demand uptick stemming from the Government's thrust on infrastructure, particularly in the rural markets, apart from the pickup in the construction activity, which will lead to increased offtake of Long Products. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.

Stainless Steel and Tubes & Pipes

Big push for localization of these products under Atmanirbhar Bharat initiatives. Implementation of quality order, mandatory BIS certification in India and withdrawal of export benefits by Chinese Government will act as major catalysts for the growth of this sector which is poised to grow at CAGR of 6-7% per annum. The Key Sectors are Power, Nuclear & Defence from where we see a significant demand pull.

Strategy for Long Term Value Creation

- 1** Business Growth & Diversification to improve Earnings Predictability and Enhance Margins

- 2** Building Resilience: Maintain Robust Balance Sheet

- 3** Accelerate ESG Initiatives

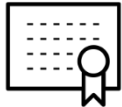
- 4** Enhancing Returns through Prudent Capital Allocation

WCL as “it was”: High Quality Line Pipe Business



Top
3

Among Line Pipe Manufacturers globally



50+

Approvals from O&G majors; Qualifies for global bidding



15+
MN MT

Pipes delivered since inception with multiple repeat orders

2.55 mn MT Pipes Capacity

**6 manufacturing facilities
in 3 countries**

**Used in Oil & Gas, Water
industry & Structurals**

Approvals & accreditations: Line Pipes

Oil & gas



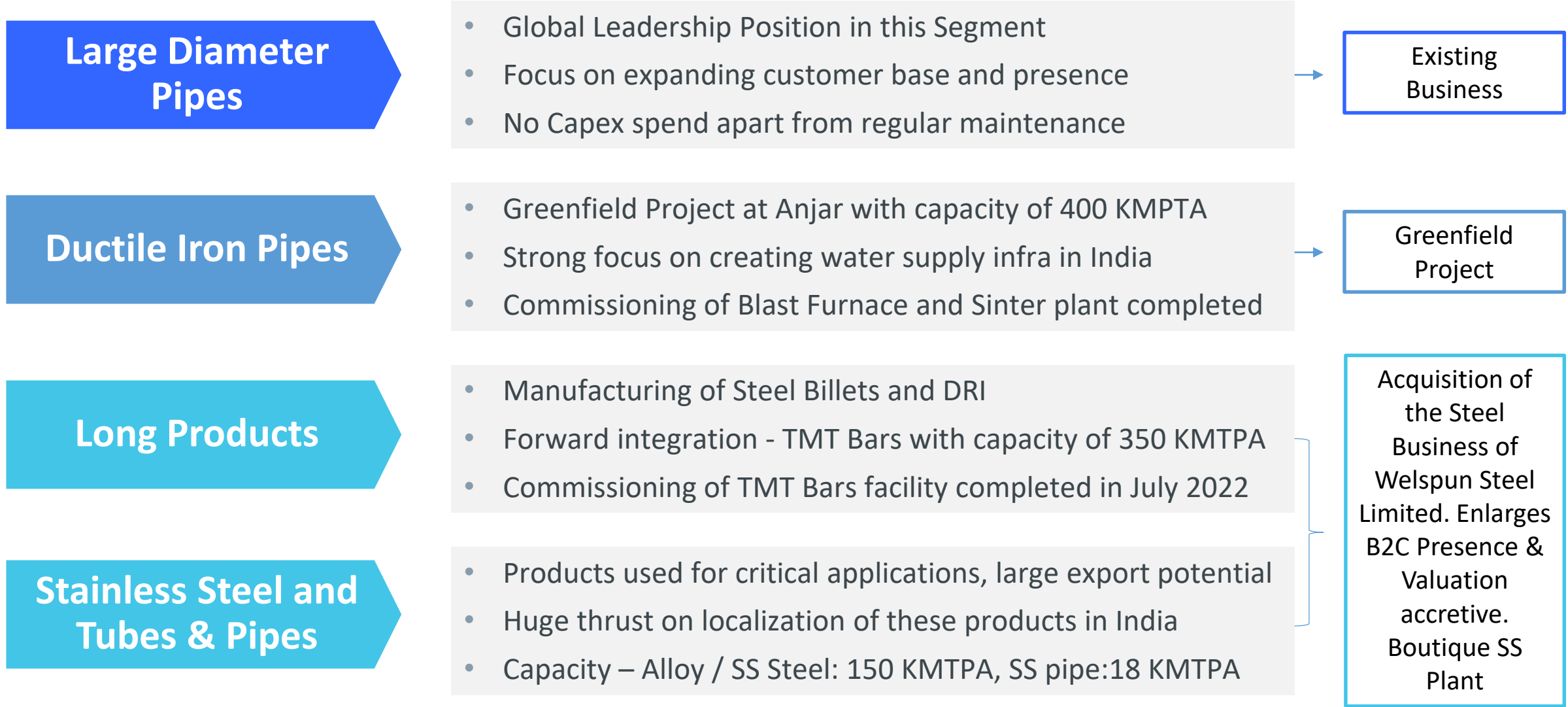
Transportation



Others



Diversification of Steel Business: Solid Platform for Higher Value Products and B2C Initiatives



Our Manufacturing Facilities

Capacity ¹⁾	India					US	Saudi Arabia	Total
	Anjar	Dahej	Mandya	Bhopal	Jhagadia	Little Rock	Dammam	
Products / City								
LSAW	350	350						700
HSAW	250	50	150	305		350	375	1,480
ERW/ HFIW	200					175		375
Line Pipes (KMT)	1,655					525	375	2,555
TMT Bars (KMT)	350							350
DI Pipes (KMT)	400							400
SS Bars (KMT)					150			150
SS Pipes (KMT)					18			18

Note: 1) DI Pipes Capacities are upcoming

WCL “The Way Forward”: Business Growth & Diversification Strategy

	Existing	New			Planned
Business	Large Diameter Pipe and Coating	Pig Iron and DI Pipes	Specialty Steel	Billets & TMT ¹⁾	Plastic Products
Scale	Amongst the Top manufacturers globally	One of the largest standalone single location facility	Integrated producer from steel-making to finished products	One of the largest players in the Key Growth Market of Western India	Acquisition ²⁾ of a national level brand (largest player)
Target	B2B	B2B	B2B	B2B + B2C	B2C
		Greenfield	Acquisitions		

Note: 1) Through Forward Integration 2) Acquired Sintex BAPL Ltd.’s Non-Convertible Debentures with outstanding of Rs. 1,222 Crore for a purchase price of Rs. 418 Crore

New & Planned Acquisitions

Plastic Products

- National Brand with >10% market share (Year: 2018) in India
- Extensive Distribution (~ 900) and Retail (~ 13,000) Network
- Potential Synergy of leveraging this Distribution Platform within the group (Building Materials)

Billets & TMT

- Location Advantage of Anjar (Port based) for Raw Material imports and exports of Finished Goods
- Maximum Demand for Long Products in Western Region: Target Markets are Gujarat & Rajasthan
- TMT Bars through dealer & retail network, with direct impact on end users. Transition to B2C segment and leveraging Brand Welspun

Specialty Steel

- High Entry Barriers with approvals required from Process Licensors & EPC's
- Existing Group Company that has enabled WCL's entry in this segment
- Strong Improvement in recent performance: Pipe Sales Volumes higher by 50% for FY22

Transition to B2C

**Distribution
Network
+
Strong Brand**

**High Barriers to
Entry**

Rationale for Business Growth & Diversification Strategy

- Earnings predictability, stronger revenue and improved competitiveness with business diversification. Strong presence in the B2C segment.

- Dominant presence across each product segment.

- Greater economies of scale will provide a larger and stronger base for potential future growth.

- Synergies especially in raw material sourcing, common infrastructure, technical manpower.

- Significant Value Creation for all stakeholders – Shareholders, Employees, Customers, Suppliers, Communities etc.

Capital Allocation at WCL

- Strong Cash Flows used for Deleveraging, Reinvesting for Growth and Rewarding Shareholders

INR Cr	FY18	FY19	FY20	FY21	FY22
Cash from Operations	981	623	648	774	219

FY22 excludes Cash Flow impact of Gain of Rs.359 crores in "Other Income" from the Saudi IPO & proceeds from the Sale of the PCMD business of Rs. 806 crores

- Consistent Dividend paying Company (Face Value = Rs. 5 per share)

INR	FY18	FY19	FY20	FY21	FY22
Dividend Per Share	0.5	0.5	10.5	5.0	5.0
Basic EPS - Consolidated (Cont. Ops)	6.0	2.6	25.6	24.1	16.8
Payout Ratio	8%	19%	41%	21%	30%

- Buyback of Shares in FY20, Interim Dividend (One-time) of Rs. 10.00 per share declared in FY20
- Dividend Distribution¹⁾ policy aims for a balance between the quantum of dividend paid and amount of profits retained in the business for reinvestment
- Expansion and diversification of product offerings remains a key growth enabler
- Will now shift focus on Incubation, Stabilization & Ramping of the new businesses

Note: 1) Dividend Distribution Policy https://www.welspuncorp.com/system/downloads/attachments/000/000/338/original/Dividend_Distribution_Policy_08.05.2017.pdf?1494308856

Towards a Cleaner & Greener Tomorrow

Hydrogen Gas Transportation

- First Indian company to have joined the H2Pipe Joint Industry Project on hydrogen pipelines
- Collaborating with 24 of the world's premier energy companies
- Developing the world's first guideline for the transportation of hydrogen gas in existing and new offshore pipelines
- Also partnered with Tata Steel to develop the framework and subsequently manufacturing pipes for transportation of pure hydrogen and natural gas-blended hydrogen

Other Focus Areas

**Carbon Capture
& Emission
Reduction
Technologies**

**Green Steel with
Lowest Carbon
Footprint Possible**

**Investment in
Renewables to
meet Carbon
Reduction Targets**

Our ESG Journey

Environmental & Social

Detailed Benchmarking versus peers on ESG factors

Mapping universe of issues, objectives and risk and prioritizing them based on Materiality for WCL

Arrive at baseline scenario in line with WEF metrics and identification of improvement areas

Formulation of a strategic roadmap outlining key actions to be undertaken in short, medium and long term

Public reporting and disclosures of ESG performance

Maturity Assessment



Materiality Analysis



Baseline & Gap Analysis



Roadmap



Communication and Reporting

Corporate Governance

Board Matters / Entity Level Controls

- ESG Committee at the board level setup
- Several key actions taken in line with leading practices

Related Party Framework

- As-Is analysis of existing policy and process flow
- Refine scope, applicability, responsibility and appropriate controls in RPT framework

Ethics Framework

- Conducted Ethics culture survey
- Developed a road map for training and awareness programs
- As-Is analysis, benchmarking and gap assessment of existing policies
- Updated Policies Finalized: Whistle-blower Policy, Code of Conduct, Fraud Prevention Policy & Fraud Response Plan, Disciplinary Action Matrix and Anti-Bribery & Anti-Corruption Policy

Major transformation to further strengthen ESG across our organization

Sustainability Targets

Aspects	FY 2020-21	Goal 2025	Goal 2030	Goal 2040
Carbon Neutrality - % Renewable Energy (RE)		10% RE	20% RE	Carbon neutral
Water Neutrality - Water Intensity	0.63 KL/MT	0.55 KL/MT	0.40 KL/MT	Water neutral
Waste to Landfill	1.53 MT	1.00 MT	0 MT	Zero waste to landfill
Impacting Lives in CSV	1,60,735	5,00,000	1,000,000	2,000,000
Sustainable Supply Chain - % suppliers assessed as per ESG compliant Code of Conduct		100% critical suppliers assessed	100% (all suppliers)	100% (all suppliers)

Note: 1) Sustainability targets for Line Pipes India business 2) Impacting Lives in CSV through Welspun Foundation

ESG Initiatives



- MoU with BP India Pvt Ltd. to jointly explore carbon emission mitigation and reduction opportunities in WCL’s energy, logistics, mobility and waste management activities
- Published first Business Responsibility and Sustainability Report (BRSR) as a best practice in the industry
- Developed “ESG Compass” - a digital platform with automated data dashboards covering over 90 indicators for monitoring and analysis of ESG related metrics
- Optimization of manufacturing processes and operations to reduce Energy, Water and Waste Intensity
- Including ESG in internal audit framework, expanding the scope of stakeholder relationship committee and linking executive remuneration to ESG goals amongst several other best practices.....

Ranked in Top One-Third in Steel Industry by S&P Global’s Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment

Thank You

Welspun Corp Limited

CIN: L27100GJ1995PLC025609

www.welspuncorp.com

For further information, please contact:

Mr. Gaurav Ajjan
gaurav_ajjan@welspun.com