

12<sup>th</sup> November 2019

National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

BSE Limited,  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir / Madam,

**Sub: Presentation on Unaudited Financial Results for the quarter and half year ended  
30<sup>th</sup> September 2019**

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("SEBI Regulations"), please find enclosed a presentation on the Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September 2019 made to Investors/ Analysts.

The aforesaid presentation is also being hosted on the website of the Company, [www.wabag.com](http://www.wabag.com) in accordance with Regulation 46 of the SEBI Regulations.

Kindly take on record the same.

Thanking you,

**For VA TECH WABAG LIMITED**



**R SWAMINATHAN**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
**Membership No: A17696**



Encl: as above

Sustainable solutions, for a better life



sustainable solutions. for a better life.

# VA TECH WABAG LTD.

RESULT UPDATE PRESENTATION

Q2 FY 2019 - 20

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

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# Business Overview



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

# Key Highlights Q2 FY 20



- 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**

# 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%)
<b>EBITDA</b>	<b>653</b>	<b>628</b>		<b>1,028</b>	<b>1,040</b>	
<b>EBITDA margin</b>	<b>10.3%</b>	<b>8.4%</b>		<b>9.4%</b>	<b>7.2%</b>	
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)	<b>271</b>	<b>359</b>		<b>297</b>	<b>488</b>	
<b>PAT margin</b>	<b>4.3%</b>	<b>4.8%</b>		<b>2.7%</b>	<b>3.4%</b>	

- 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

# RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q2 FY 20	Q2 FY 19	YOY %	H1 FY 20	H1 FY 19	YOY %
<b>Revenue from Operations</b>	<b>4,428</b>	<b>5,209</b>	<b>(15.0%)</b>	<b>7,668</b>	<b>8,611</b>	<b>(10.9%)</b>
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%)
<b>EBITDA</b>	<b>491</b>	<b>523</b>		<b>954</b>	<b>816</b>	
<b>EBITDA margin</b>	<b>11.1%</b>	<b>10.0%</b>		<b>12.4%</b>	<b>9.5%</b>	
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%)
<b>Profit After Tax</b>	<b>180</b>	<b>256</b>		<b>378</b>	<b>377</b>	
<b>PAT margin</b>	<b>4.1%</b>	<b>4.9%</b>		<b>4.9%</b>	<b>4.4%</b>	

- 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
<b>Total Equity &amp; Liabilities</b>	<b>37,645</b>	<b>37,785</b>	<b>28,981</b>	<b>28,094</b>
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
<b>Total Assets</b>	<b>37,645</b>	<b>37,785</b>	<b>28,981</b>	<b>28,094</b>

# Cash Flow Statement

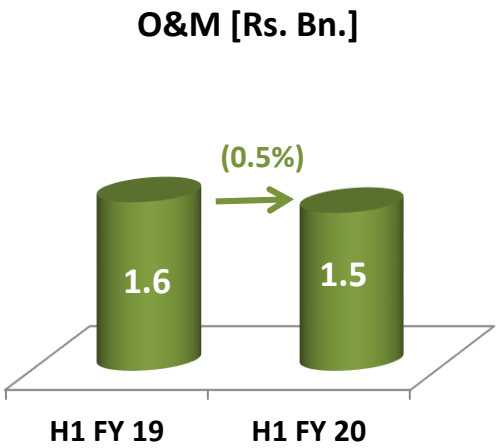
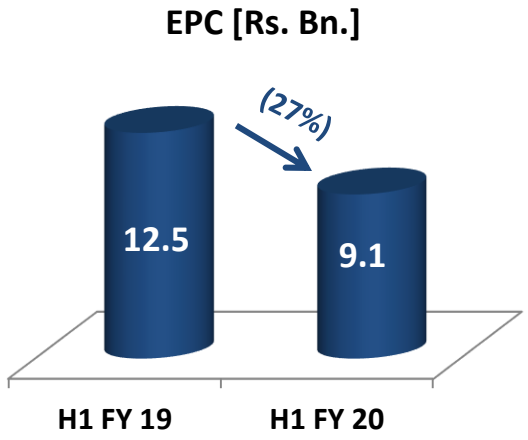
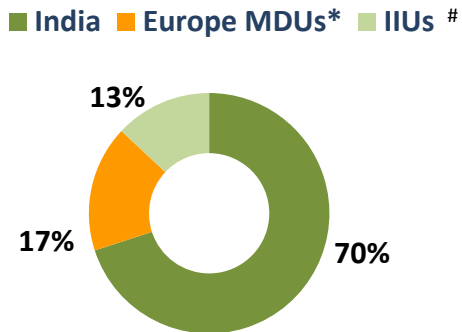
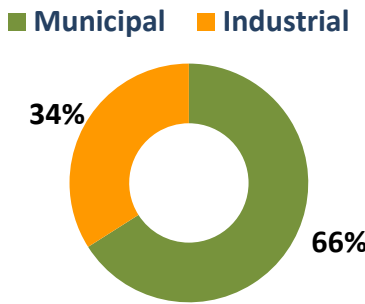
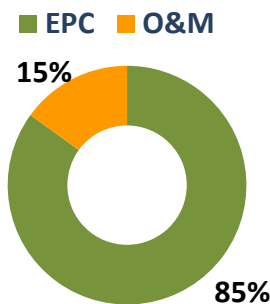
Rs. Millions	Consolidated		Standalone	
	H1 FY 20	H1 FY 19	H1 FY 20	H1 FY 19
Operating profit before working capital changes	1,069	1,376	997	1,046
<b>Net cash generated from/(used in) operations</b>	<b>1,188</b>	<b>(153)</b>	<b>456</b>	<b>15</b>
Net cash generated from/(used) in investing activities	(73)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

# 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
<b>Total Current Assets (A)</b>	<b>27,921</b>	<b>29,106</b>	<b>31,896</b>
Trade Payables	15,072	15,914	16,213
Other Current Liabilities and Provisions	3,925	3,442	4,012
<b>Total Current Liabilities (B)</b>	<b>18,997</b>	<b>19,356</b>	<b>20,225</b>
<b>Net Working Capital (NWC)</b>	<b>8,924</b>	<b>9,750</b>	<b>11,671</b>
Net Working Capital (No. of Days)	134	130	122

# 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
<b>Total</b>	<b>5,784</b>	<b>3,368</b>	<b>1,314</b>	<b>274</b>	<b>10,740</b>



# 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

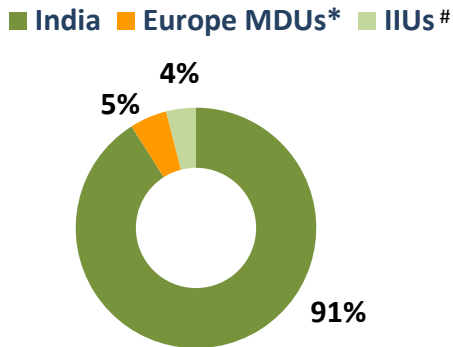
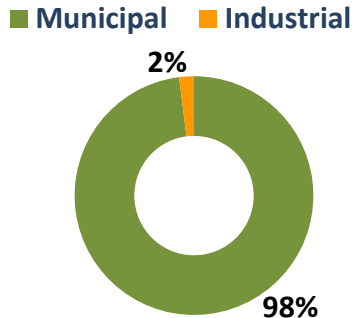
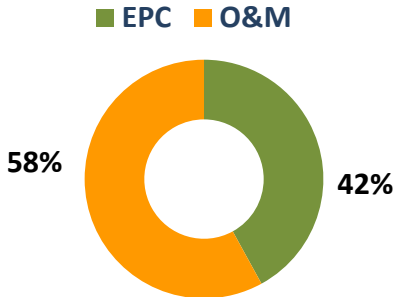
# Order Book Analysis





# Order Intake Breakup

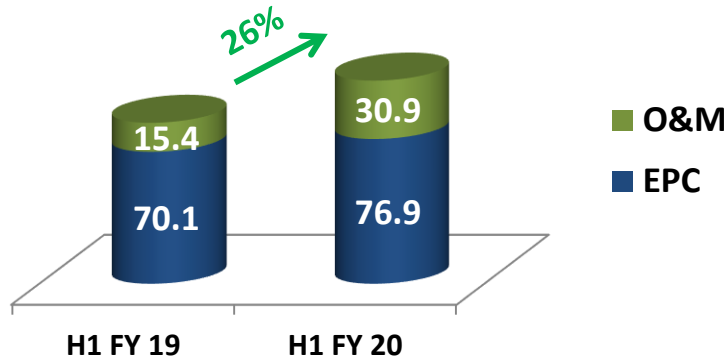
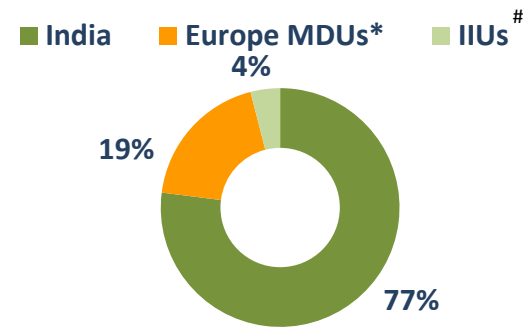
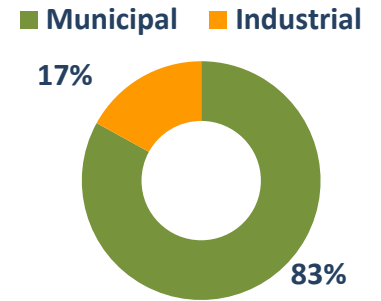
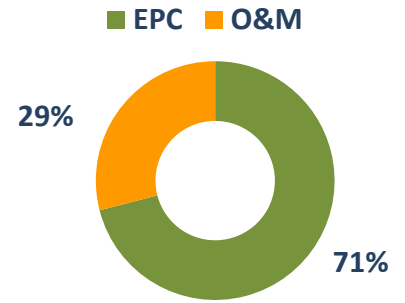
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
<b>Wabag India</b>	10,415	295	16,862	9	27,581
<b>Wabag Overseas</b>	1,865	178	726	104	2,873
<b>Total</b>	<b>12,280</b>	<b>473</b>	<b>17,588</b>	<b>113</b>	<b>30,454</b>



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

# Order Book Composition

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



# 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



**For further information, please contact**

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