WELSPUN CORP
Pipes & Steel

WCL /SEC/2023 **May 30, 2023**

To,

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

Dear Sirs/ Madam,

Sub: <u>Buisness Update and Investors' Presentation</u>

Further to our letter dated May 30, 2023, with respect to Audited Financial Results for the quarter and financial year ended March 31, 2023, please find enclosed the Business Update and Investors' Presentation which is being released to the media.

Thanking you.

Yours faithfully,
For Welspun Corp Limited

PRADEE
P JOSHI

Digitally signed by PRADEEP JOSHI
DN: c=IN, st=Maharashtra, 2.5.4.20=0367e2c48faf87fc6e2f1ddc4ac39a7f44220a339c1ba31dd2da75ba807687b4, postalCode=400101, street=Mumbai, pseudonym=89c52244a2566845a767f8e266c77a7b, serialNumber=39cc5c7d3d658812a3f2b8104efd7451f0cf3737a7a2caa1e22b1a327bcc119c, o=Personal, cn=PRADEEP JOSHI
Date: 2023.05.30 22:00:39 +05'30'

Pradeep Joshi
Company Secretary
FCS-4959

Encl.: as above

BUSINESS UPDATE

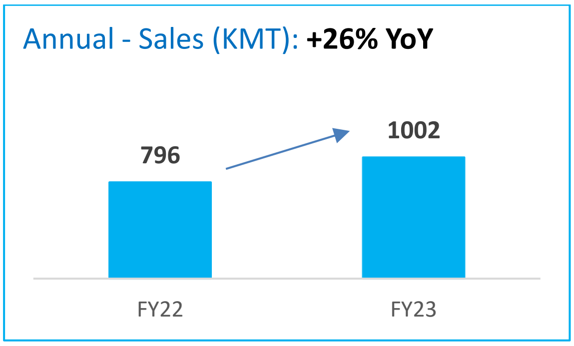
Robust Operating Performance

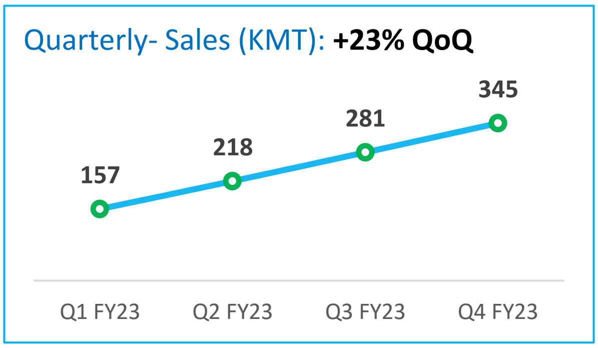
May 30, 2023, Mumbai: Welspun Corp Ltd. (WCL), a flagship Company of the Welspun Group, announced its consolidated financial results for the quarter and year ended March 31, 2023.

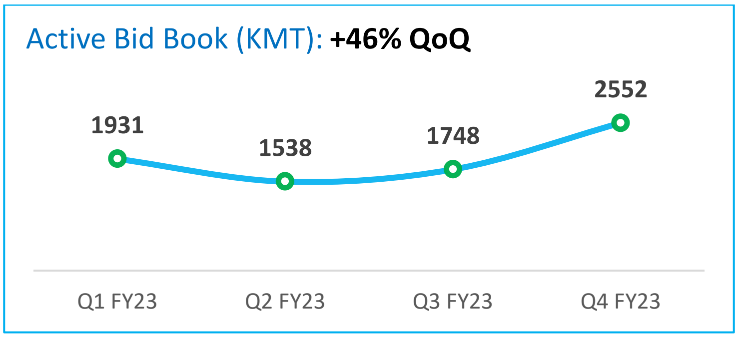
- **Achieved > 1 Million MT of Global Line Pipe Sales in FY23, 8th time in last 10 years. Stable and consistent business**
- **Revenue from Operations at Rs. 9,758 crores for FY23, growth of 50% yoy**
- **EBITDA for the quarter at Rs. 483 crores and for FY23 at Rs. 805 crores**
- **Completed acquisition of the Plastic Products business of Sintex BAPL & Specified Assets of ABG Shipyard**
- **Ranked in the Top 7% in the Steel Industry on DJSI's Corporate Sustainability Assessment**
- **Strong pending Order Book for Line Pipes of 1.1 Million MT valued at Rs. 14,600 crores**

Note: Sales Volume & Order Book includes our Saudi operations

(A) Line Pipes







- The overall environment for Oil & Gas capex is favourable across the world
- Saudi Arabia and other OPEC+ oil producers announced production cuts
- World oil demand is set to grow by 2 million bpd to a record 101.9 million bpd in 2023
- Oil prices are range bound ($70 - $90 per barrel). Gas prices have softened but demand stays strong

BUSINESS UPDATE

A.1) Key Drivers - India

- Target to increase natural gas consumption from 6% to 15% in our energy mix by 2030
- Gas pipeline network expected to reach 35,000 kms from 22,000 kms in the next 4-5 years
- Oil demand expected to rise from 4.7 million barrels per day (bpd) in 2021 to 7.4 million bpd by 2040
- Refining capacity of around 250 MTPA to increase to around 450 MTPA over the next few years
- Energy scenario across the globe changing due to geopolitics resulting in strong export demand

Outlook

In the export market, we are in active discussions for several orders across the world. We recently announced the award of an order for export of LSAW Pipes and Bends to the Middle East for approximately 83,000 MT. Pipes supplied will be used for offshore production and transport of gas, which will accelerate and enhance LNG export infrastructure in one of the largest LNG producing and exporting country in the World.

There has been a revival in the Water sector driven by strong pent-up demand, after subdued growth over the past three years. Our wide geographical presence with plants in West, Central and Southern India along with a strong supply chain is optimally enabling us to cater to this demand.

A.2) Key Drivers - USA

- Record liquefied natural gas (LNG) exports from the United States
- Rising global demand for natural gas is a growth opportunity for US
- Higher oil production in the Permian Basin, spurring increases in associated gas production.

Outlook

Our HSAW plant in the US is fully booked till December 2023. The current business environment is favourable for us and we are in active discussions to book new orders beyond 2023.

A.3) Key Drivers - Saudi Arabia

- Highest annual growth rate among the world's 20 biggest economies in 2022
- Expanding its “maximum sustainable” oil production capacity to 13 million bpd by 2027
- Saudi Aramco’s capital expenditure will continue to increase through the decade

- Aims to achieve a 50% growth in its gas production by 2030
- Desalinated Water Transportation capacity being significantly increased

Outlook

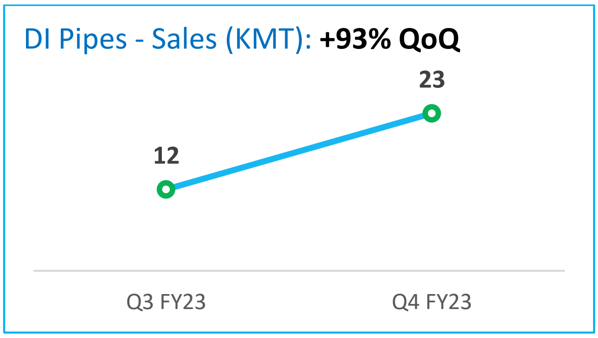
We are seeing a resurgence in the Oil and Gas sector and continued robust demand in the Water sector.

Recently, our associate company, EPIC has signed a contract with Saudi Aramco for the supply of large diameter Steel Pipes at a total value of SAR 1.8 Billion (approx. INR 4,000 crores).

This is one of the single largest order for EPIC from Saudi Aramco and represents the major share of the first package of the Master Gas - Phase 3 project. With this order our plant is fully booked for next 1 year.

We are also seeing a robust demand in the Water sector with multiple lines to carry desalinated water to be awarded shortly out of which we are poised to win some more orders in due course of time.

(B) DI Pipes



- Steady ramp-up in Hot Metal production. Almost achieving our targeted production levels.
- All ancillary facilities viz. Sinter, Coke Oven, PCI and Oxygen plant have also reached targeted production levels and aptly supporting the Hot Metal production.
- Steady ramp up in volumes across full production range on expected lines in DI Pipes
- Quality and timely deliveries well accepted and appreciated by customers

Key Drivers

- Strong traction in Jal Jeevan Mission
- The objective being to bring tap water to every household, both rural and urban.
- Significant allocation of Rs. 69,684 crore in the Union Budget 2023

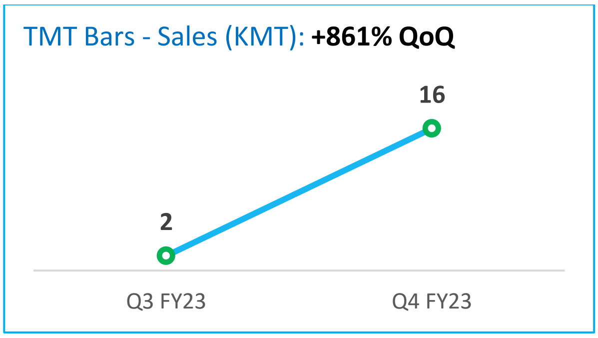
Outlook

We have already received all necessary approvals and accreditations in the states of Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Punjab, which being our top priority areas.

We are seeing a consistent demand from all the above states and have already supplied pipes in most of these states.

We have a strong order backlog of ~ 138 KMT valued at ~ Rs. 1091 crore and are targeting sales of 175 – 200 KMT for FY24.

(C) **TMT Bars**



- Dispatches of TMT bars ramping up
- Key target market - Gujarat with estimated annual demand of 3 million MT per annum
- Healthy demand in Kutch which will be a priority market for us due to our strong presence

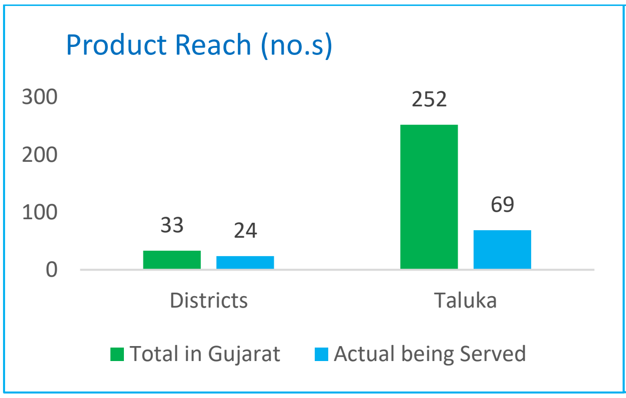
Outlook

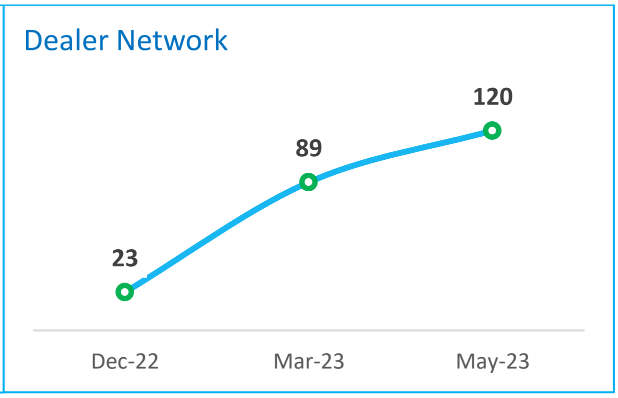
We intend to be a strong player in the B2C segment and our brand "Welspun Shield" has been extremely well accepted in the Gujarat market.

We are now considered as a tier 1 supplier, within the producers in Gujarat, on the basis of quality and service.

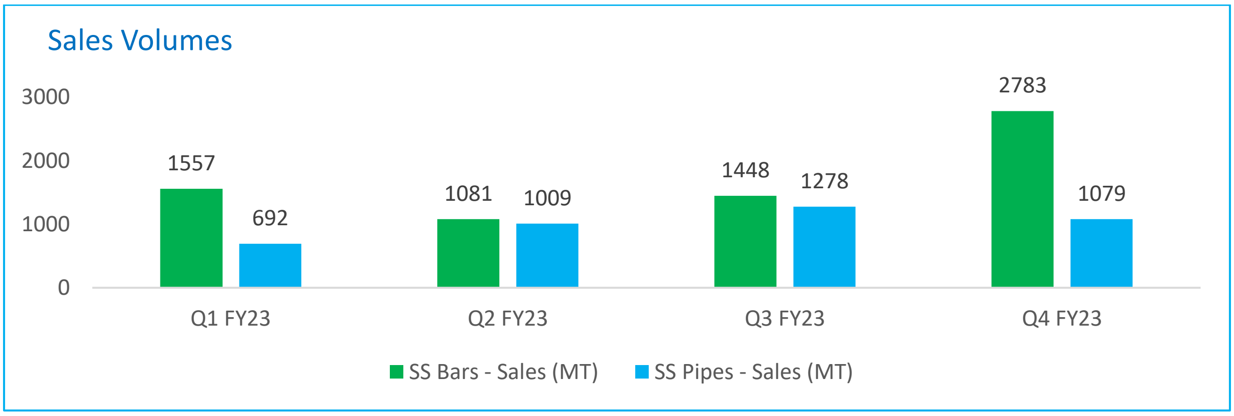
We have created a unique and industry first digital platform for distributors, dealers, retailers and influencers. This is not only creating a positive socioeconomic effect, but also helping us with a deeper penetration in the market to achieve our B2C goals.

Success Metrics





(D) <u>Stainless Steel - WSSL</u>



Key Drivers

- Surge in Demand in sectors like Defence, Petrochemicals, Nuclear Reactors and Process Industries
- Strong Export potential in Europe and North America
- Anti-Dumping Duty on Stainless Steel Seamless Pipes & Tubes on cheap imports from China
- Our expanded product size range from 50 – 200 mm to 25 – 350 mm diameter in SS Bars
- Make-in-India initiative by Government

Outlook

We have seen a strong turnaround in performance, both operational and financial.

WSSL turned EBITDA positive.

The current Order Book stands at ~ 3,500 MT valued at ~ Rs. 155 crores

The company received BIS IS 6529 (Blooms / Ingots), BIS IS 6603 (Bars) and BIS 17875 certification for its seamless pipe & tubes. These certifications will cover the entire spectrum of steel as cast / rolled bars & seamless pipes. This is favourable for an integrated players like WSSL.

During the year, the company booked its first order of very high value Ni-Alloy Grade 6625 Pipes. The company also booked and supplied pipe / tube orders in other high value Grades - Alloy 800H, 8825, Monel 400 etc.

The company expects its improved performance to sustain, on the back of several new customer approvals, accreditations, development of new products and penetrating new markets.

(E) <u>Sintex BAPL Ltd.</u>

We have taken full control of the assets.

Sintex continues to be a National brand with a premium positioning. It is the best known brand for water storage tanks in India with the brand connect being synonymous with Water tanks.

A widespread distribution network of 900 Distributors and 13,000 Retailers stays intact and will act as a catalyst for growth.

The current market share of Sintex in Water Tanks is estimated to be at about 9%. Every effort is being made to increase the market share in FY24 by reenergizing the distribution network, product & brand positioning and combining this with Supply Chain efficiencies.

(F) <u>Nauyaan Shipyard (erstwhile ABG Shipyard)</u>

We are moving steadily to monetize the scrap, which should be mostly completed by the end of the financial year. This would result in a steady cash flow. During this period, we would be incurring a minimal fixed cost.

We are not exploring any capital intensive options like ship building. Instead, we are exploring options viz. Ship Recycling and Repair. In this regard, we are in discussions with various global companies and would complete our assessment in the next 2 quarters.

The endeavor being to come up with low capex, non-cyclical, high return and value accretive proposition, basis which the business plan for the next financial year would be drawn.

(G) ESG Initiatives

The company lays a strong emphasis on Sustainability and Governance and has been ranked in the top 7% in the Steel Industry. The DJSI score significantly improved from 41 to 57 for FY 2022.

Corporate Sustainability Assessment Results	Score 2021	Score 2022	Percentile 2021	Percentile 2022
S&P Global ESG Score	**41**	**57**	**68**	**93**
Governance & Economic Dimension	52	69	78	98
Environmental Dimension	26	54	59	91
Social Dimension	43	50	77	92

Note: Selected industry / peer group: STL Steel

Company Outlook

Guidance for FY24

- Top line of INR 15,000 Cr (growth of ~ 50%)
- EBIDTA of INR 1,500 Cr (growth of ~ 90%)
- ROCE of 16% + (from 7% in FY23)
- Only Maintenance Capex
- Strong focus on growth of Sintex, DI Pipes and WSSL
- Increase in DJSI ESG rating to 60+

Management Comments

"I am pleased by our robust operating performance to end the financial year. We have seen flawless execution and delivery for our customers resulting in strong cash flows and a substantial reduction in net debt. The acquisition of the plastic products business of Sintex has given us a head start in our foray into the B2C segment. This will result in significant value creation for all our stakeholders in addition to providing growth to the existing business portfolio. We have also made significant operational progress in our new businesses of manufacturing DI Pipes and TMT Rebars. The stainless steel business has completed its turnaround with the positive momentum likely to continue," said Mr. B. K. Goenka, Chairman, Welspun Group. "*With sustainability at our core, I am confident that WCL will achieve even greater heights in Financial Year 2024," he added.*

Consolidated Performance Snapshot

- *Prior period figures are restated after the acquisition of the Steel business of Welspun Steel Limited*
- *Sales Volume & Order Book includes our Saudi operations*

Sales Volumes	Q4FY23	Q3FY23	Q4FY22	FY23	FY22
Line Pipes (KMT)	345	281	269	1,002	796
Pig Iron (KMT)	107	40	-	158	-
DI Pipes (KMT)	23	12	-	37	-
Billets (KMT)	49	34	18	136	112
TMT Bars (KMT)	16	2	-	18	-
SS Bars (MT)	2,783	1,448	1,248	6,869	1,531
SS Pipes (MT)	1,079	1,278	1,160	4,059	2,915

Figures in Rs. Cr

Consolidated Profit & Loss Account	Q4FY23	Q3FY23	Q4FY22	FY23	FY22
Continuing Operations					
Total Revenue from Operations	**4,070**	**2,402**	**2,011**	**9,758**	**6,505**
Other Income	**62**	**8**	**402**	**320**	**551**
Reported EBITDA	483	174	474	805	1,023
Depreciation and Amortisation	91	80	63	303	255
Finance Cost	95	70	30	243	102
Profit before tax and share of JVs	**297**	**24**	**380**	**258**	**666**
Share of profit/(loss) from Associates and JVs	29	29	13	75	(6)
Tax expense	85	30	130	134	216
Non-controlling interest	4	(0)	27	(8)	5
PAT after Minorities, Associates & JVs	**236**	**23**	**236**	**207**	**439**
Basic EPS from Continuing Operations	**9.0**	**0.9**	**9.0**	**7.9**	**16.8**

Prior period figures have been restated, wherever necessary

Net Debt / (Cash) position

Figures in Rs. Cr

Consolidated debt	Mar-23	Dec-22	Mar-22
Gross Debt	3,316	3,178	2,021
Cash & Cash Equivalents	2,178	1,341	2,195
Net Debt / (Cash)	**1,138**	**1,837**	**(173)**

Saudi Financials

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

Figures in SAR Mn

Particulars in SAR MN	Q4FY23	Q3FY23	Q4FY22	FY23	FY22
Saudi Arabia Ops:					
Sales / Revenue	442	487	194	1,439	597
Gross Profit	52	70	15	156	28
Operating Profit	47	61	15	133	15
Net Profit after Zakat and Tax	37	48	14	100	(3)
Total Comprehensive Income	37	48	15	100	(3)

Prior period figures have been restated, wherever necessary

Q4 FY23 Investor & Analyst conference call: Wednesday, 31st May 2023 | 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) is the flagship company of Welspun Group, one of India's fastest-growing multinationals with a leadership position in line pipes and home textiles, along with other lines of businesses in infrastructure, warehousing, retail, advanced textiles, and flooring solutions.

WCL is one of the largest manufacturers of large diameter pipes globally and has established a global footprint across six continents and 50 countries by delivering key customized solutions for both onshore and offshore applications. The company also manufactures BIS-certified Steel Billets, TMT (Thermo Mechanically Treated) Rebars, Ductile Iron (DI) Pipes, Stainless Steel Pipes, and Tubes & Bars. The company has state-of-the-art manufacturing facilities in Anjar (Gujarat), Bhopal (Madhya Pradesh), Mandya (Karnataka) and Jhagadia (Gujarat) in India. Overseas, WCL has a manufacturing presence in Little Rock, Arkansas, USA.

WCL's expansion entails creating a diversified product portfolio and repurposing its business to add new target segments, organically and inorganically. The company recently acquired Sintex-BAPL, a market leader in water tanks and other plastic products, to expand its building materials portfolio. It has also acquired specified assets of ABG Shipyard with a potential to enter Defence and commercial shipbuilding, green steel, ship breaking, and ship repair.

The company's business growth and diversification strategy is aligned with the Welspun Group's vision of 'Har Ghar Se Har Dil Tak Welspun.'

For further information please visit www.welspuncorp.com

WELSPUN CORP
Pipes & Steel

Welspun Corp Limited

Investor Presentation

Q4 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.

Sales Volumes at a Glance: Q4 FY23

LINE PIPES
345 KMT
(+28% YoY)

PIG IRON
107 KMT

TMT BARS
16 KMT

DRI
1 KMT

SS BARS
2,783 KMT
(+123% YoY)

DI PIPES
23 KMT

SS PIPES
1,079 MT
(-7% YoY)

BILLETS
49 KMT
(+173% YoY)

Note:
Pipe Sales volumes include Saudi Arabia operations

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#HarDilWelspun

Consolidated Financial Results for Q4 FY23

PARTICULARS (Rs Cr)	Q4 FY-23	Q3 FY-23	QoQ	Q4 FY-22	YoY
Total Revenue from Operations	4070	2402	69.4%	2011	102.4%
Other income	62	8	677.0%	402	-84.5%
Reported EBITDA	483	174	176.8%	474	1.9%
Depreciation and Amortisation	91	80	13.4%	63	44.0%
Finance Cost	95	70	34.5%	30	216.4%
Profit before tax and share of JVs	**297**	**24**	**1161.5%**	**380**	**-21.9%**
Share of profit/(loss) from Associates and JVs	29	29	-3.1%	13	120.0%
Tax expense	85	30	186.3%	130	-34.2%
Non-controlling interest	4	(0)		27	-84.8%
PAT after Minorities, Associates & JVs	236	23	915.2%	236	-0.1%
Basic EPS from Continuing Operations	**9.0**	**0.9**	**916.1%**	**9.0**	**-0.3%**

Note:
Prior period figures are restated wherever necessary
Reported EBITDA in Q4 FY22 included Other Income of Rs. 359 crores from gain on Saudi IPO

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Consolidated Financial Performance

PARTICULARS	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23
Revenue (INR Cr)	9083	7705	8451	7380	6035	7587	8954	9957	7153	6505	9758
EBITDA (INR Cr)	919	844	951	891	737	815	708	1276	1152	1023	805
Basic EPS	6.1	2.8	2.6	5.8	1.0	6.0	2.6	25.6	29.8	16.8	7.9
Net Worth (INR Cr)	2750	2957	2799	2799	2809	2854	2798	3215	4209	4528	4844
Net Debt/(Cash) (INR)	2314	2568	1910	1355	1106	422	286	32	(447)	(173)	1138
Net Debt / Equity	0.84x	0.87x	0.68x	0.48x	0.39x	0.15x	0.10x	0.01x	-0.11x	-0.04x	0.23x

Consistent Performance
over the last 10 years:
EBITDA in the range of
INR 800 – 1200
crores per annum from
Line Pipes Business

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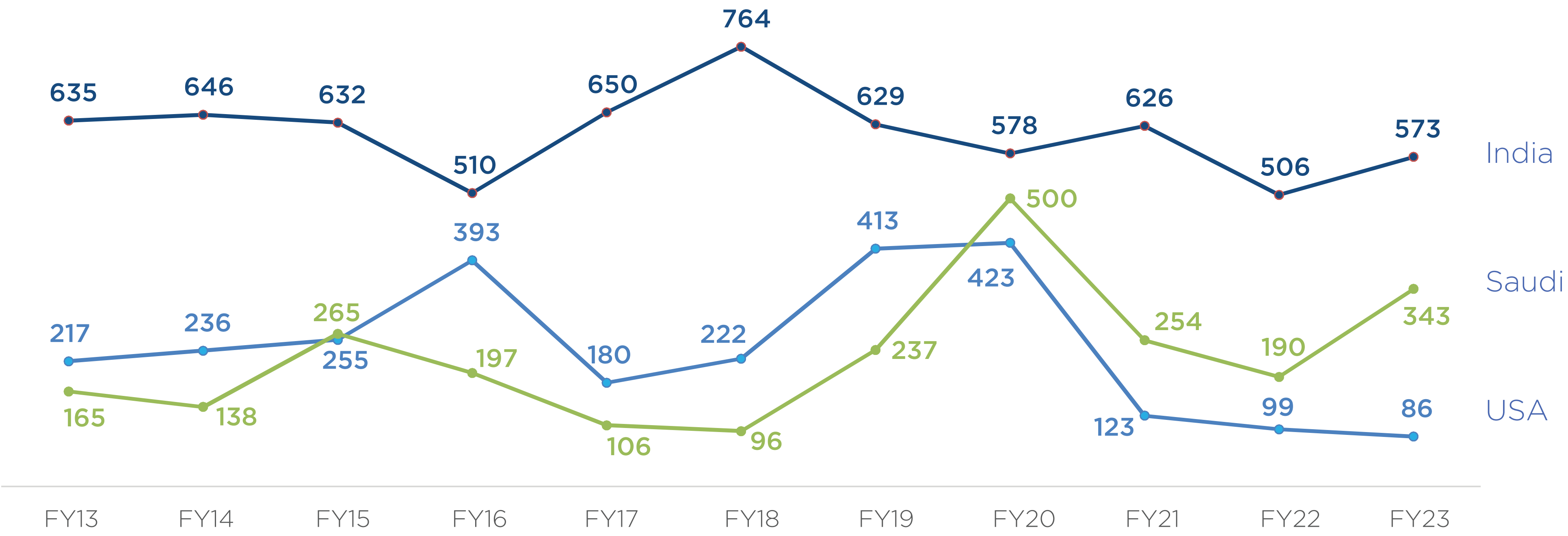
#HarDilWelspun

Note:
Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures
Reported EBITDA in FY22 included Other Income of Rs. 359 crores from gain on Saudi IPO
From FY19 figures are pertaining to continuing operations only (excluding PCMD)

Sales Volume Mix: Line Pipes (Long Term Trend)



India volumes close to
600 KMT,
Total volumes close to
1 million MT
per annum consistently

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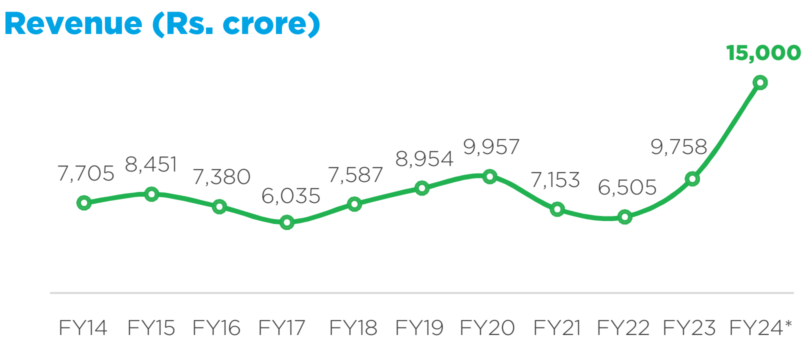
Dare to Commit!

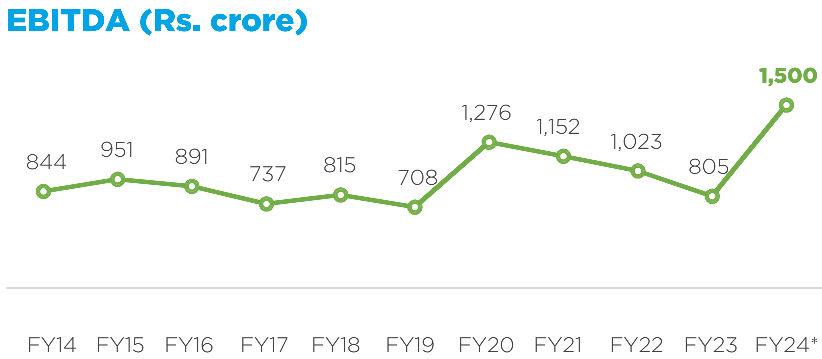
Guidance for FY24

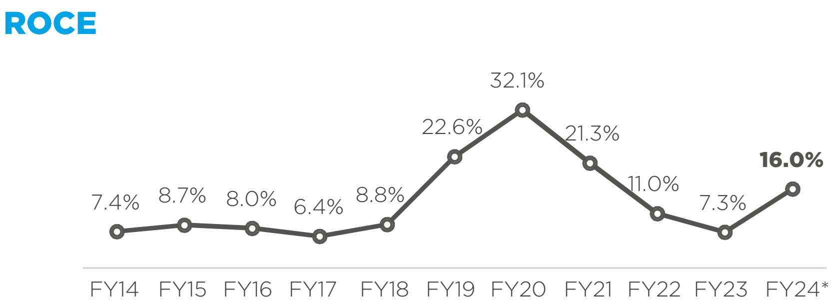
- Top line of INR 15,000 Cr (growth of ~ 50%)
- EBIDTA of INR 1,500 Cr (growth of ~ 90%)
- Only Maintenance Capex
- Strong focus on growth of Sintex, DI Pipes and WSSL
- ROCE of 16% + (from 7% in FY23)
- Increase in DJSI ESG rating to 60+

Guidance reflecting
solid business fundamentals

Guidance







Major Capex done and now volumes have to be ramped up of the greenfield plants and acquisitions

FY24* Guidance

WCL : Line Pipes

Top 3
Among Line Pipe Manufacturers globally

50+
Approvals from O&G majors; Qualifies for global bidding

15+ million metric ton
Pipes delivered since inception with multiple repeat orders

2.2 mn MT
Pipes Capacity

6 manufacturing facilities in **3** countries

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

Approvals & Accreditations: Line Pipes

OIL & GAS

- Shell
- Total
- Chevron
- ओएनजीसी ONGC
- BR Petrobras
- ConocoPhillips
- इंडियनऑयल IndianOil
- British Gas
- PTTEP
- Reliance Industries Limited
- bp
- Gazprom
- M.O.G.E.
- Statoil
- CPOC
- أرامكو السعودية saudi aramco
- قطر للبترول Qatar Petroleum
- Peru LNG
- ExxonMobil

TRANSPORTATION

- TC Energy
- Enterprise Products
- गेल GAIL
- Kinder Morgan Inc.
- Williams
- Enbridge
- Energy Transfer
- Plains All American Pipeline, L.P.
- NGL Energy Partners LP

OTHERS

- L&T
- Fluor
- Odebrecht
- Saipem
- Agip
- M
- Dow
- Bechtel
- eni
- المؤسسة العامة لتحلية المياه المالحة Saline Water Conversion Corporation

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Global Supply Chain

SUPPLIER	COUNTRY
Dillinger	France & Germany
VAGB	Austria
Posco	South Korea
Nippon	Japan
JFE	Japan
Bao	China

More than
2 million
metric tons of plates procured in last 10 years

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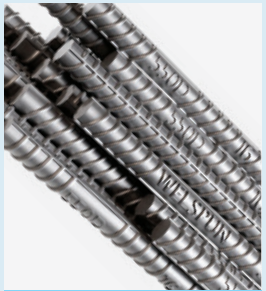
Healthy Relationships with Suppliers across the world:
A key factor for our Global Leadership Position

Welspun Corp: Transforming into a Conglomerate

	EXISTING	NEW				
BUSINESS	 Large Diameter Pipe and Coating; New Energy	 Pig Iron and DI Pipes	 Specialty Steel	 Billets & TMT*	 ABG Shipyards	 Plastic Products
SCALE	Amongst the Top 3 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	One of the largest shipyard infrastructure in India	Acquisition of a national brand – Sintex BAPL
FOCUS	Oil & Gas & New Energy	Jal Jeevan Mission	Nuclear, Defense & Power	Infra & Housing	New Business Opportunity	B2C
		Greenfield	Acquisitions			

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* Through Forward Integration

Manufacturing Facilities: Pipes & Steel

CAPACITY	INDIA				US	SAUDI ARABIA	TOTAL
PRODUCTS / CITY	**ANJAR**	**MANDYA**	**BHOPAL**	**JHAGADIA**	**LITTLE ROCK**	**DAMMAM**	
LSAW	350						350
HSAW	250	150	305		350	375	1430
ERW/HFIW	200				175		375
Line Pipes (KMT)	**1255**				**525**	**375**	**2155**
TMT Bars (KMT)	350						350
DI Pipes (KMT)	400						400
SS Bars (KMT)				150			150
SS Pipes (KMT)				18			18

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Line Pipes: Key Drivers

INDIA

- Expansion of **National Gas Grid** Pipeline driven by increasing LNG capacities
- **City Gas Distribution (CGD)** network
- **Strong export** outlook with focus on Australia, Central America, South East Asia and Middle East
- **Demand returning in the Water** sector with moderating steel prices

USA

- **Rig count** close to pre-pandemic levels
- **Permian basin** expected to be the key growth driver due to geopolitical reasons
- At least 3 **more large gas pipelines** planned from Permian to Gulf coast; 5 new LNG terminals being added for export of gas
- Big focus on **New Energy including Carbon Capture, Hydrogen and Ammonia pipelines**

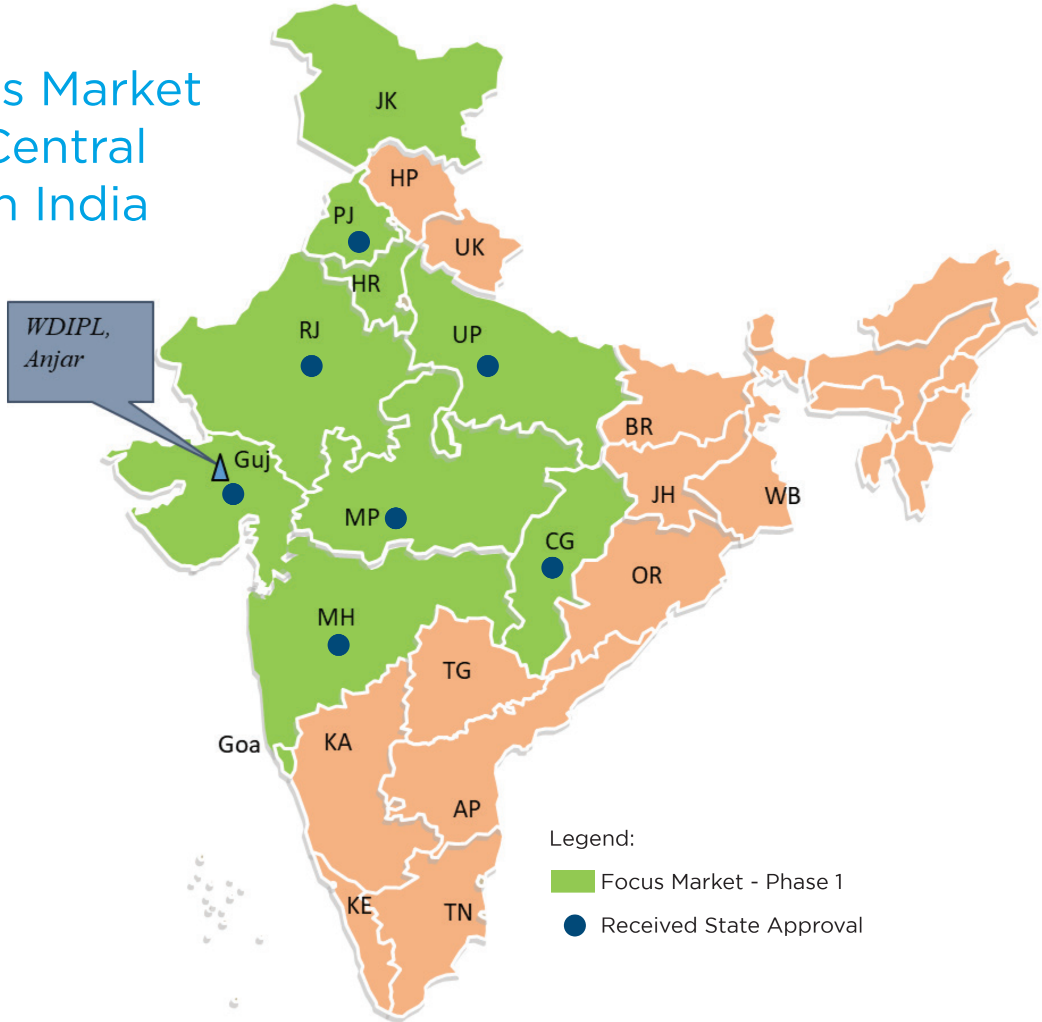
SAUDI ARABIA

- Saudi Aramco to **boost oil production** from 10 million to 13 million barrels a day by 2027
- Saudi Aramco **to boost gas production by more than 50%** by 2030
- Huge capex in distribution of Desalinated water; 7 large water infrastructure projects planned; Total demand e**xceeding 3 MN MT over 3 years**

Source: Government websites, news articles, market intelligence

Ductile Iron Pipes: Huge focus on creating drinking water supply infrastructure in India

Our Focus Market is West, Central and North India



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Specialty Steel: SS Pipes Outlook

Robust demand expected going forward

Key Drivers

- **Make in India** initiative by the government providing push to local manufacturing
- High value business and a **differentiated import-substitution** play with obvious synergies with existing business and capabilities, characterized by superior margins and resilient demand
- **High Entry Barriers** due to technology capabilities as well as approvals and accreditations required from customers, process licensors, and EPC players
- **Implementation of BIS and the proposal for Anti-Dumping Duty** on substandard and cheap imports to lay a strong foundation for substantial growth

Sectors & Demand

- Critical applications in key sectors like Power, Nuclear, Defense, Petrochemicals etc.
- Demand Estimate: ~65 KMT in Domestic Market and ~25 KMT in Exports per Annum

Visible Turnaround

- Product acceptability both in the domestic and export market
- Moving towards higher value added grades such as Nickel Alloy, Duplex & Super Duplex
- Only facility which is fully integrated from SS Steel to Pipes

Source: News articles, Market intelligence, Internal estimates

TMT: Our Differentiated Strategy

Forward Integration from Billets to TMT

Growth Drivers

- Infrastructure: Massive spending expected in the sector including –
  - **PM Gati Shakti National Master Plan**: an expected outlay of INR 100 lakh Cr
  - **Pradhan Mantri Awas Yojana-Urban's** (PMAY-U) 'Housing for All' mission
  - Private Sector Capital Expenditure
  - Individual House Builders

Welspun Strategy

- Sharp focus on
  - **Branding and creating a robust distribution network - B2C segment**
  - Presence in High growth Western India (especially Gujarat) region where Welspun enjoys a strong brand presence

₹3 MN MT
per Annum demand expected in Gujarat for TMT rebars

Synergy with our steel business

Source: News articles, Market intelligence, Internal estimates

Nauyaan Shipyard (erstwhile ABG Shipyard)

- Metal / metal scrap not required for business purposes is being disposed off which would result in a steady cash flow
- Not exploring any capital intensive options like ship building
- Assessing low capex, non-cyclical, high return and value accretive propositions

Potential to Enter New Businesses –
Ship Recycling and Repair

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Sintex BAPL – Plastic Products

Manufacturing Locations

- **Kalol** Gujarat
- **Nalagarh** Himachal Pradesh
- **Namakkal** Tamil Nadu
- **Uluberai** West Bengal
- **Butibori** (Nagpur) Maharashtra
- **Guwahati*** Assam

- **High Brand recall for Sintex** across the country, current market share in Water Tanks estimated to be 8-10%
- **Widespread sales network** of approximately 900 Distributors and 13,000 Retailers
- Leverage network to **increase market share** in Year 1

Combined Capacity:

70,000 MT

* Under contract manufacturing

Transaction Rationale – Sintex BAPL

1. **Growth Driver:**
   Entry into the Consumer Segment through a Super Brand which is well known across the country and has a premium positioning

2. **Extensive Distribution Network:**
   Widespread Distribution and Retail Network is in line with Welspun Group's Mission "Har Ghar Welspun"

3. **Strategic Acquisition:**
   Net acquisition cost for the Plastic Products business at INR 406 crores

4. **Diversification of Product Portfolio:**
   WCL will expand its presence in providing Water related solutions (through Line Pipes & DI Pipes for water transportation and Tanks for storage)

The Way Forward
Sintex BAPL

- **Re-energize distribution network**, product & brand and combine with WCL's strength in Supply Chain efficiencies
- Efforts to **regain lost Market Share** which was historically as high as 23-25%
- **Strong and experienced Management team** already in place
- **No immediate large capex requirement** envisaged, will assess and organically strengthen the business over the next few months

Sustainability Strategy

- Energy Efficiency
- Water Intensity
- Health & Safety
- Human Capital
- Renewable Energy
- Waste Intensity
- Gender Diversity
- Impacting Lives in CSV
- Sustainable Supply Chain
- Hydrogen Pipelines
- Carbon Capture Projects

Ranked in the Top 7% in Steel Industry by S&P Global's Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment

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Sustainability Targets

ASPECTS	FY 2020 - 21	FY 2021 - 22	FY 2022 - 23	GOAL 2025	GOAL 2030	GOAL 2040
Carbon Neutrality - % Renewable Energy (RE)	0% RE	0% RE	0% RE	10% RE	20% RE	Carbon neutral
Water Neutrality - Water Intensity	0.63 KL/MT	0.64 KL/MT	0.57 KL/MT	0.55 KL/MT	0.40 KL/MT	Water neutral
Waste to Landfill	1.53 MT	Zero waste to landfill	Zero waste to landfill	1 MT	Zero waste to landfill	Zero waste to landfill
Impacting Lives in CSV	1,60,735	1,95,375	5,07,848	5,00,000	10,00,000	20,00,000
Sustainability Supply Chain - % suppliers assessed as per ESG compliant Code of Conduct	0% assessed	50% critical suppliers assessed	100% critical suppliers assessed	100% critical suppliers assessed	100% (all suppliers)	100% (all suppliers)

On track to achieve
Water Intensity targets

Project Plan for
Renewable Energy

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

Thank You!

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