

## Profitable growth momentum continues

- Delhi-Meerut Expressway project receives completion certificate from NHAI
- All ongoing HAM projects have achieved financial closure/tie-up
- Revenue up 77% YoY; Operating EBITDA up 157% YoY
- Current Order Book at Rs. 53.5 bn with HAM portfolio of 6 projects
- Awarded “Fastest Growing Construction Company (Small)” by Construction World

**Mumbai, October 30, 2018:** Welspun Enterprises Ltd. (“WEL” or “Company”), part of the US\$ 2.3 billion Welspun Group, today announced its Q2FY19 & H1FY19 results.

### Standalone Financials

Income Statement Snapshot (Rs. Million)						
Particulars	Q2 FY19	Q2 FY18	YoY Growth	H1 FY19	H1 FY18	YoY Growth
<b>Revenue from Operations</b>	<b>2,498</b>	<b>1,415</b>	<b>77%</b>	<b>5,968</b>	<b>3,419</b>	<b>75%</b>
Other Income*	249	254	-2%	427	488	-12%
<b>Total Income</b>	<b>2,747</b>	<b>1,669</b>	<b>65%</b>	<b>6,395</b>	<b>3,906</b>	<b>64%</b>
<b>Operating EBITDA**</b>	<b>322</b>	<b>125</b>	<b>157%</b>	<b>697</b>	<b>296</b>	<b>136%</b>
<i>Operating EBITDA margin</i>	12.9%	8.8%		11.7%	8.7%	
<b>EBITDA</b>	<b>479</b>	<b>341</b>	<b>40%</b>	<b>942</b>	<b>706</b>	<b>33%</b>
<i>EBITDA margin</i>	17.4%	20.4%		14.7%	18.1%	
<b>PBT</b>	<b>421</b>	<b>275</b>	<b>53%</b>	<b>827</b>	<b>562</b>	<b>47%</b>
Exceptional gain	12	78		14	82	
Reported PBT	432	353	22%	841	644	31%
<b>PAT</b>	<b>331</b>	<b>259</b>	<b>28%</b>	<b>600</b>	<b>470</b>	<b>28%</b>
<i>PAT margin</i>	12.0%	15.5%		9.4%	12.0%	
<b>Cash PAT</b>	<b>286</b>	<b>237</b>	<b>20%</b>	<b>614</b>	<b>515</b>	<b>19%</b>

Note: Cash PAT = PBDT (before exceptional items) – Current tax – FVTPL Ind AS adjustment + Non-cash ESOP expenses

\* In Q2FY19, Other income includes treasury income of Rs.109 million (vs. Rs. 194 million for Q2FY18) and gain of Rs. 98 mn arising due to fair valuation of equity interests in Dewas-Bhopal road project.

\*\* Refer table below

Operating EBITDA Calculation (Rs. Million)				
Particulars	Q2 FY19	Q2 FY18	H1 FY19	H1 FY18
<b>Operating EBITDA (as per reported financials)</b>	<b>230</b>	<b>87</b>	<b>515</b>	<b>218</b>
<i>Operating EBITDA Margin (as per reported financials)</i>	9.2%	6.2%	8.6%	6.4%
Add: Cost corresponding to IndAS notional interest	43	37	86	74
Add: ESOP non-cash expense	48	0	96	4
<b>Operating EBITDA</b>	<b>322</b>	<b>125</b>	<b>697</b>	<b>296</b>
<i>Operating EBITDA margin</i>	12.9%	8.8%	11.7%	8.7%

## BUSINESS UPDATE

Balance Sheet Snapshot (Rs. Million)	30 <sup>th</sup> Sept 2018	31 <sup>st</sup> Mar 2018
<b>Net worth</b>	<b>15,013</b>	<b>14,573</b>
Gross Debt	545	664
<b>Cash &amp; Cash Equivalents<sup>@</sup></b>	<b>6,062</b>	<b>7,135</b>
Net Debt /(Cash)	(5,517)	(6,471)
Other Long Term Liabilities	299	303
Total Net Fixed Assets (incl. CWIP)	280	87
Net Current Assets (Excl. Cash & Cash Equivalents) <sup>@</sup>	1,349	1,053
Other Long Term Investments and assets	8,167	7,263

*@ Temporary funding of Rs. 800 million has been made in lieu of drawing debt at the subsidiary/JV level in order to minimise the interest cost. This temporary funding has not been included in the cash balance of Rs. 6,062 million*

### Financial Highlights

- Revenue in Q2FY19 stands at Rs. 2,498 million, up 77% YoY. Revenue during the quarter was contributed mainly by three HAM projects as against only one project in the same quarter last year
- The Company has a policy of regularly divesting completed assets in order to recycle capital. Post the approval of MPRDC to divest the remaining 13% stake in Dewas Bhopal road project, gain of Rs. 98 mn arising due to fair valuation of equity interests is included in the Other income
- EBITDA in Q2FY19 was up 40% YoY to Rs. 479 million on account of the EPC margins from the higher execution
- Exceptional gain in Q2FY19 of ~Rs. 12 million is the additional profit realised in relation to sale of stake in Welspun Energy
- As on 30th Sept, Growth Capital stands at Rs. 6,862 million comprising of Rs. 6,062 million in the form of direct cash and cash equivalents and Rs. 800 million as temporary funding to subsidiaries/JVs in lieu of drawing debt at that level. This was done in order to minimise the interest cost at the SPVs and the funds are available to WEL, on demand

### Project Status

**HAM Road Projects:** All projects have achieved financial closure/tie-up and are in the advanced stage of implementation as detailed below:

#### Delhi-Meerut Expressway (Delhi-section)

- **Project Description:** 14 Lane expressway: Six-laning of Delhi – Meerut Expressway & four-laning either side from 0th km to existing km 8.4 of NH-24 in Delhi
- **Completion cost:** Rs. 8.87 billion
- **Status:** Received completion certificate from NHAI and the first annuity along with bonus is likely to be received by end-Dec 2018.

#### Gagalheri-Saharanpur-Yamunanagar (GSY)

- **Project Description:** 4-Laning of Gagalheri-Saharanpur-Yamunanagar section of NH-73 in UP / Haryana
- **Bid Project Cost:** Rs. 11.84 billion
- **Status:** Despite long and heavy monsoon in the region, physical progress of about 30% has been completed by Q2FY19 and the project is on track for an early completion.

## BUSINESS UPDATE

### Chutmalpur-Ganeshpur & Roorkee-Chutmalpur-Gagalheri (CGRG)

- **Project Description:** 4-Laning of Chutmalpur-Ganeshpur section of NH-72A & Roorkee-Chutmalpur-Gagalheri section of NH-73 in UP & Uttarakhand
- **Bid Project Cost:** Rs. 9.42 billion
- **Status:** Despite long and heavy monsoon in the region, physical progress of more than 20% has been completed by Q2FY19 and the project is on track for an early completion.

### Aunta-Simaria (Ganga Bridge with Approach Roads)

- **Project Description:** Six- Laning from Aunta-Simaria (Ganga Bridge with Approach Roads) Section from km 197.9 to km 206.1 of NH-31 in Bihar. Includes widest extradosed bridge on Ganga river
- **Bid Project Cost:** Rs. 11.61 billion
- **Status:** NHAI declared the Appointed Date for the Project as 30<sup>th</sup> August 2018; execution in full swing.

### Chikhali-Tarsod

- **Project Description:** 4-laning of Chikhali – Tarsod (Package-IIA) section of NH-6 from km. 360.0 to km.422.7 in Maharashtra
- **Bid Project Cost:** Rs. 10.48 billion
- **Status:** Financial closure achieved; appointed date expected in Q3FY19. Site mobilised and developmental work started.

### Sattanathapuram-Nagapattinam (SN)

- **Project Description:** 4 laning of Sattanathapuram to Nagapattinam (Design Ch Km 123.8 to Km 179.6) section of NH-45A (New NH -332) in Tamil Nadu
- **Bid Project Cost:** Rs. 20.04 billion
- **Status:** Received Letter of Award (LoA) on 5<sup>th</sup> July 2018; awaiting signing of concession agreement. Company has received firm sanction letter from lenders for the financial closure.

### Water Project:

#### Dewas Water

- **Project Description:** Modified project involves the supply of treated water of up to 23 MLD to industrial customers in Dewas
- **Project Cost:** Rs. 1.46 billion
- **Status:** Execution in full swing, physical progress of more than 25% has been completed; project expected to be completed ahead of the scheduled completion date of May 2019.

### **Management Comments**

Commenting on the developments, Mr. B. K. Goenka, Chairman, Welspun Group said, “Welspun Enterprises is well-placed to capitalise on new opportunities, thanks to its strong balance sheet and robust credit rating. Through our differentiated asset-light business model, we are confident of continuing our growth path with better risk-adjusted return on capital.”

## BUSINESS UPDATE

### Outlook

- The next set of HAM projects from NHAI, is expected to come up for bidding in November-December 2018. WEL is selectively targeting to bid, while preserving its threshold return expectations.
- Meanwhile, the Company is also exploring opportunities in state HAM projects as well as the water segment
- With a strong order book and healthy cash balance, WEL is well-positioned for early financial closure for any project wins
- The Company will continue to pursue an asset-light model, while focussing on operational excellence and prudent risk management.

### About Welspun Enterprises Ltd.

*Welspun Enterprises Ltd. (WEL), part of the Welspun Group, is an operating Company in the infrastructure business. The Company also has investments in Oil & Gas Exploration. The company, in its current form was created through the merger of Welspun Enterprises Ltd., Welspun Infratech Ltd., Welspun Plastics Private Ltd. and Welspun Infra Projects Private Ltd. with Welspun Projects Ltd through the Scheme of Amalgamation and Arrangement made effective from May 11, 2015.*

### About Welspun Group

*A US\$ 2.3 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.*

---

**For further information please visit [www.welspunenterprises.com](http://www.welspunenterprises.com) or contact:**

#### **Investor Relations:**

Harish Venkateswaran (Head – Investor Relations, Welspun Group) @ [harish\\_venkateswaran@welspun.com](mailto:harish_venkateswaran@welspun.com)

Ph: +91 22 61336832

#### **Media Relations:**

Sunil Gate (Group Head – Corporate Communications, Welspun Group) @ [sunil\\_gate@welspun.com](mailto:sunil_gate@welspun.com)

Ph: +91 9823093000

---

#### **DISCLAIMER:**

*The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun Enterprises Ltd or any of its affiliates. Neither Welspun Enterprises Ltd, nor their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.*