

## STRONG ORDER BOOK LED BY BOTH EXTERNAL EPC AND WATER SEGMENTS

*Growth to be driven by Execution and Strengthened EPC Capabilities*

**Mumbai, February 02, 2022:** Welspun Enterprises Ltd. (“WEL” or “Company”), a diversified infra player with presence in Road and Water, today announced its results for the quarter ended Dec. 31, 2021.

- Unexecuted EPC Order Book as on 31<sup>st</sup> Dec 2021 ~Rs 7,680 crore (~Rs 5,162 crore in Road and ~Rs 2,525 crore in Water segment)
- Provisional Commercial Operation Date (PCOD) of AM 2 road project (completion cost of Rs 1,670 crore) received. Out of the total 7 HAM projects, 5 projects have received PCOD/COD.
- PCOD of Mukarba Chowk – Panipat (MCP) likely in Q4.
- 5 HAM projects and one BOT project available as asset monetization opportunities.

### MANAGEMENT COMMENTS

Speaking about the performance, Mr Ajay Hans, CEO, Welspun Enterprises Ltd, said, “We have reported an operating performance that is characterized by a strong order book, with a majority of the unexecuted EPC order book coming from external client engagements, and also reflects our selective approach to evaluating and pursuing project opportunities. While project implementation and progress during the period under review has been affected by exogenous factors such as the farmers’ agitation and NGT intervention in a large BOT project, we expect the ongoing execution of our robust order book to generate incremental revenue and drive growth from next quarter onwards.

“We are encouraged by the continued thrust on infrastructure, as seen in the Union Budget presented yesterday. Among the measures announced was the expansion of the national highway network by 25,000 kilometers in FY2022-23. We are making consistent efforts in expanding our footprints into the Water segment where we see significant opportunities over the next few years.”

Income Statement Snapshot (Rs crore)								
Particulars	Q3FY22	Q3FY21	YoY %	Q2FY22	QoQ %	9MFY22	9MFY21	YoY%
Revenue from Operations	215.5	407.3	-47.1%	280.0	-23.0%	839.7	905.6	-7.3%
Other Income	9.5	7.7	23.3%	8.5	12.8%	27.4	27.4	0.0%
<b>Total Income</b>	<b>225.0</b>	<b>415.0</b>	<b>-45.8%</b>	<b>288.5</b>	<b>-22.0%</b>	<b>867.1</b>	<b>933.0</b>	<b>-7.1%</b>
<b>EBITDA</b>	<b>22.3</b>	<b>53.2</b>	<b>-58.1%</b>	<b>33.8</b>	<b>-34.0%</b>	<b>97.4</b>	<b>127.2</b>	<b>-23.4%</b>
EBITDA margin	9.9%	12.8%	-290bps	11.7%	-180bps	11.2%	13.6%	-239bps
PBT	5.8	39.2	-85.1%	17.5	-66.6%	48.5	87.2	-44.3%
<b>PAT</b>	<b>6.3</b>	<b>30.0</b>	<b>-79.0%</b>	<b>14.2</b>	<b>-55.7%</b>	<b>40.5</b>	<b>67.7</b>	<b>-40.2%</b>
PAT margin	2.8%	7.2%	-443bps	4.9%	-213bps	4.7%	7.3%	-259bps
<b>Cash PAT</b>	<b>10.0</b>	<b>34.0</b>	<b>-70.7%</b>	<b>18.3</b>	<b>-45.5%</b>	<b>51.8</b>	<b>86.6</b>	<b>-40.2%</b>

Note: Cash PAT = PBDT– Current tax + Non-cash ESOP expenses | Prior figures have been restated wherever necessary

Balance Sheet Snapshot (Rs crore)	31 <sup>st</sup> Dec 2021	30 <sup>th</sup> Sept 2021
<b>Net worth</b>	<b>1,840</b>	<b>1,834</b>
Gross Debt	493	500
- Long Term Debt	493	485
- Short Term Debt	0	15
<b>Cash &amp; Cash Equivalents<sup>#</sup></b>	<b>175</b>	<b>343</b>
Net Debt / (Cash)	318	157
Other Long Term Liabilities	35	37
Receipt of Mob Advance <sup>^</sup>	407	407
Total Net Fixed Assets (incl. CWIP)	56	58
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.) <sup>@</sup>	339	214
Other Long Term Investments and assets (adj.) <sup>@</sup>	2,207	2,163

<sup>#</sup> includes FD classified under "Other non-current financial assets"

<sup>^</sup> Disclosed as part of Contract liabilities In the Balance Sheet

<sup>@</sup> Temporary funding of Rs 169 crore 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 175 crore. The same is reflected in Other Long-Term Investments and assets.

## CONSOLIDATED FINANCIALS

Income Statement Snapshot (Rs crore)								
Particulars	Q3FY22	Q3FY21	YoY %	Q2FY22	QoQ %	9MFY22	9MFY21	YoY%
Revenue from EPC Business	241.6	423.3	-42.9%	302.7	-20.2%	916.8	960.7	-4.6%
Revenue from HAM Assets	37.3	30.3	23.2%	36.0	3.8%	108.6	71.3	52.4%
Other Income	4.7	11.5	-58.8%	4.6	2.6%	14.9	38.6	-61.3%
<b>Total Income</b>	<b>283.7</b>	<b>465.1</b>	<b>-39.0%</b>	<b>343.3</b>	<b>-17.4%</b>	<b>1,040.4</b>	<b>1,070.5</b>	<b>-2.8%</b>
<b>EBITDA</b>	<b>56.6</b>	<b>83.3</b>	<b>-32.1%</b>	<b>68.3</b>	<b>-17.2%</b>	<b>197.2</b>	<b>206.2</b>	<b>-4.4%</b>
EBITDA margin	19.9%	17.9%	203bps	19.9%	5bps	19.0%	19.3%	-31bps
PBT	16.6	50.7	-67.2%	30.0	-44.6%	81.9	116.2	-29.6%
<b>PAT</b>	<b>12.9</b>	<b>38.8</b>	<b>-66.7%</b>	<b>22.5</b>	<b>-42.5%</b>	<b>61.1</b>	<b>89.2</b>	<b>-31.5%</b>
PAT margin	5.4%	9.2%	-380bps	7.4%	-208bps	6.7%	9.3%	-262bps
<b>Cash PAT</b>	<b>20.7</b>	<b>46.1</b>	<b>-55.1%</b>	<b>31.4</b>	<b>-34.1%</b>	<b>86.4</b>	<b>117.0</b>	<b>-26.1%</b>

## INVESTMENTS

Investments (As On 31 <sup>ST</sup> DEC 2021; Rs Crore)		
Project	Investment	Additional funding for current portfolio
HAM Road Portfolio	1,035	
Road BOT Projects	596	
Oil & Gas Projects	388	Rs 227 Crore in Next 2 to 3 Years
Water BOT Projects	92	
Other assets	69	
<b>Total</b>	<b>2,180</b>	<b>227</b>

## KEY BUSINESS UPDATES

- Provisional Commercial Operation Date (PCOD) announced by PWD Maharashtra for Hybrid Annuity Model (“HAM”) project. This is the fifth HAM Road project completed by the Company, with a completion cost of around Rs. 1,670 crore.
- Healthy progress in the EPC project NH-2 (Varanasi to Aurangabad) and the UP JJM Water project, with rapid progress in on-site mobilization is expected to contribute significant revenue going forward.
- For the UPJJM project in the Water segment, Tripartite Agreements for 358 Detailed Project Reports (DPRs) covering 693 villages for a value of Rs. 943 crore have been executed.
- The Company’s SPV for the MCP project has received a change of scope (COS) amounting to an additional order Rs 183 crore from NHAI, which is expected to result in incremental cash flow in ensuing quarters.

## ABOUT WELSPUN ENTERPRISES LTD.

Welspun Enterprises Ltd. (WEL), part of the Welspun Group, is an infrastructure development company focusing on Road and Water segments. The Company also has investments in Oil & Gas Exploration.

## ABOUT WELSPUN GROUP

One of India’s leading conglomerates, Welspun Group is amongst the largest global exporters with ‘Make in India’ at its core for over three decades. Welspun Group has gained a global leadership position spread across international markets including the US, Europe, and Saudi Arabia. In a short period, the group has established a noteworthy presence in Home Textiles, Infrastructure, Warehousing, Steel, Retail, Advanced Textiles, Line Pipes, and Flooring Solutions. The Group also enjoys strong relationships with almost all Fortune 100 companies operating in the Retail and O&G sectors.

As India’s fastest-growing multinationals, Welspun Group has a strong presence in over 50 countries employing over 26,000 employees and more than 100,000 shareholders. Along with a deep penchant for technological and operational excellence, the group has been continuously following global ESG practices as a responsible conglomerate.

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