

EFFICIENT EXECUTION LEADS TO EBITDA GROWTH OF 58% (YOY)

Mumbai, February 1, 2024: Welspun Enterprises Ltd. ("WEL" or "Company"), part of Welspun World, today announced its results for the quarter ended 31st December 2023 (Q3 FY24).

- Diversified order book stands at ~ Rs. 85,000 mn, which includes ~Rs. 18,000 mn allocated for O&M and asset replacement in the MCGM STP project. The order book is categorized as follows:
 - Water & Wastewater management segment constitutes 66%
 - Road projects constitutes 34%
- Net Cash of the Company stands at Rs. 9,062 mn on Standalone basis
- 9MFY24 EBITDA of Rs. 3,422 mn has grown by 86% over same period last financial
- Received multiple accolades in recognition of our execution excellence & commitment to CSR ethos

MANAGEMENT COMMENTS

Speaking about the performance, Mr. Sandeep Garg, Managing Director, Welspun Enterprises Limited, said, *"The Company continues to build on the profitable growth already demonstrated in H1FY24. During this quarter, the company sustained expansion in operating margins. During 9 months of FY24, the company has delivered the highest ever EBITDA margin. The company's EBITDA needs to be viewed in light of our differentiated execution model which allows almost 90% of EBITDA to be converted to PBT. I am also happy to inform that the integration process with Welspun Michigan Engineers (erstwhile Michigan Engineers Pvt. Ltd.) which was acquired in Q2 is well on track, and is reflected in our consolidated performance."*

Outlook

"We are well-positioned with a diverse order book of Rs. 85,000 million encompassing both the Road and Water sectors. Additionally, our integration of Welspun Michigan Engineers brings with it an unexecuted order book of approximately Rs. 17,000 million, bolstering our optimism regarding our future performance. Our sustained efforts to enhance operational efficiencies instil confidence in our ability to improve our execution and profitability."

"Despite delays in calling of bids from various clients, we observe a robust bid pipeline in our core businesses. As a result, we maintain a bullish outlook on order inflows for the future, largely attributable to the government's continued emphasis on enhancing and advancing the country's infrastructure. Our unwavering commitment to creating value for our shareholders remains steadfast."

STANDALONE FINANCIALS

Income Statement Snapshot (Rs Million)

Particulars	Q3 FY24	Q3 FY23	YoY %	9MFY24	9MFY23	YoY %
Revenue from Operations	5,835	6,684	-13%	18,066	18,524	-2%
Other Income	233	118	97%	807	390	107%
Total Income	6,068	6,802	-11%	18,873	18,914	0%
EBITDA	1,221	774	58%	3,422	1,844	86%
EBITDA margin	20.1%	11.4%	874 bps	18.1%	9.8%	838 bps
PBT Before Exceptional Item	1,119	551	103%	3,088	1,245	148%
Exceptional Item*	-	4,678		-	4,731	
PBT*	1,119	5,229	-79%	3,088	5,976	-48%
PAT*	776	5,109	-85%	2,210	5,755	-62%
PAT margin*	12.8%	75.1%	-6,234 bps	11.7%	30.4%	-1,872 bps
Cash PAT	860	455	89%	2,337	1,063	120%

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

*In Q3FY23 6 projects were sold to Actis Highways, resulting in an exceptional income of Rs. 4,678mn.

CONSOLIDATED FINANCIALS

Income Statement Snapshot (Rs Million)						
Particulars	Q3 FY24	Q3 FY23	YoY %	9MFY24	9MFY23	YoY %
Total Income	7,539	7,168	5%	21,966	19,852	11%
EBITDA	1,735	929	87%	4,597	2,249	104%
EBITDA margin	23.0%	13.0%	1,005 bps	20.9%	11.3%	960 bps
PBT Before Exceptional Item	1,355	588	131%	3,589	1,322	172%
Exceptional Item	0	3,569*		0	4,236	
PBT	1,355	4,156	-67%	3,590	5,558	-35%
Profit from discontinuing operations*	-179	0		-218	558	
PAT	799	4,016	-80%	2,417	5,837	-59%
Cash PAT	886	488	82%	2,625	1,717	53%

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

* - Refers to receipts from asset sale & projects which are being monetized

Standalone Balance Sheet Snapshot (Rs Million)	31st December 2023	31st March 2023
Net worth	23,563	24,652
Gross Debt	253	2,917
- Long Term Debt	-	2,917
- Short Term Debt (Working Capital Loan)	253	0
Cash & Cash Equivalents[#]	9,315	18,395
Net Debt / (Cash)	-9,062	-15,478
Other Long Term Liabilities	153	135
Total Net Fixed Assets (incl. CWIP)	208	325
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.)*	2,494	-544
Other Long-Term Investments and Assets (adj.)	11,952	9,529

[#] Includes Fixed Deposits kept with banks & investments

* Mobilization advance has been included into Net Current Assets

Change in Net Debt by ~Rs. 6,416 mn is on account of payout for MEPL acquisition for ~Rs. 1,371 mn, buyback worth Rs. 2,890 mn, investments of Rs. 1,121 mn in ongoing project and rest in working capital

INVESTMENTS (AS ON 31ST DEC 23; RS MILLION)

Project	Investment	Additional funding for current portfolio
HAM Road Portfolio	3,580	~Rs. 2,300 mn in about 18 months
Road BOT Projects	1,040	
Oil & Gas Projects	4,445	
Water BOT Projects	916	
Other assets	538	
Michigan Eng	1,371	
Total	11,890	

ABOUT WELSPUN ENTERPRISES LTD.

Welspun Enterprises Ltd. (WEL), part of Welspun World, is an infrastructure development company focusing on Road, Water and Wastewater segments. The Company also has investments in Oil & Gas Exploration. Backed by experienced management and strong parentage, WEL has a proven track record with the execution of water supply projects and over 1,000 kms of road projects.

ABOUT WELSPUN WORLD

Welspun World is one of India's fastest growing global conglomerates, with businesses in Line Pipes, Home Textiles, Infrastructure, Steel, Warehousing, New Energy, Advanced Textiles and Flooring solutions. With annual revenues of over USD 3 billion and presence of over three decades, Welspun has been recognized as a global leader in Home Textiles and Line Pipes, with existence in over 50 countries backed by a strong team of 30,000+ employees. The Group enjoys a strong relationship with almost all Fortune 100 companies operating in the Retail and O&G sectors and has been continuously following global ESG practices as a responsible conglomerate.

Disclaimer

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