

## **Earning's call speech Q3 FY 19**

**Mr. Rajiv Mittal:**

Thank you.....

Dear Friends, Good Afternoon.

I welcome you all to the Earning's Call post announcement of Q3 FY19 results of VA Tech WABAG Limited.

I believe you must have had an opportunity to look at the result update presentation as circulated and uploaded on our website. I would like to briefly take you through the key financial highlights for the quarter and 9 month period ended 31st December 2018.

Our revenue from operations for the 9 month period of FY 19 stood at Rs. 2,101 Crore on consolidated basis and at Rs. 1,312 Crore on standalone basis. The consolidated revenue is lower compared to previous year, as few large key overseas projects like AMAS and RAPID are in the completion stage.

The consolidated EBITDA and Profit after Tax stood at Rs. 169 Crore and Rs. 64 Crore respectively, for the 9 month period. The Consolidated PAT is lower due to lower revenues. Also due to higher forex translation losses of approximately Rs. 12 Crore.

At a standalone level, our PAT for the period was comparable to the previous year, excluding dividend.

You all must have seen the press release regarding our recent order win worth INR 467 Crore from Mangalore Refinery and Petrochemicals Limited towards engineering and construction of a 30 MLD Sea Water Desalination plant expandable upto 70 MLD in Mangaluru, Karnataka. The scope includes engineering, supply, erection, construction and commissioning of a 30 MLD Sea Water Desalination plant over a period of 22 months. WABAG will build the plant using state of the art technologies, including sea water reverse osmosis, brackish water reverse osmosis and ultra-filtration systems. Post successful commissioning, we will also be awarded a contract towards Operation & Maintenance of the plant for a period of 10 years.

Moving over to the updates on project execution...

In our APGENCO project at Rayalaseema in the state of Andhra Pradesh, post completion of COD in March 2018, all peripheral work and finishing of punch list points are under way, progressive handover of sub-systems and structures is underway and the performance guarantee trial runs are expected to start this quarter.

In our TSGENCO project in Kakatiya in the state of Telangana, as you know, the state elections are over and the Government formation is in progress. Our balance outstanding receivable case is expected to be put up to the Board of TSGENCO for final clearance this month. Post that, we expect to receive our outstanding money, this quarter.

At the start of this financial year, we had outstanding receivables from GENCO projects of over Rs. 600 Crore, and over the last 9 months we have managed to reduce the same to around Rs. 550 Crore. We expect that by the end of the financial year, the receivables will be further reduced to approximately Rs. 400 Crore.

In our Dangote project in Nigeria, Engineering is at final stage and equipment ordering is nearly completed. Piling activity at site is in full swing and manufacturing clearance for major equipment have been issued and are currently under various stages of manufacturing and dispatches.

Our Malaysian Petronas Rapid Project is nearing completion and has achieved 99%+ progress. The project has received the ready for startup certificate for Phase 1 and start-up of systems is currently underway. For Phase 2, pre-commissioning activities are nearing completion and the ready for startup for Phase 2 will be achieved by March 2019.

The Polgahawela project is now in the construction phase. More than 95% of the designs are complete along with relevant surveys and pipeline designs. The pipe laying is in progress and about 80% of the pipe requirement has been shipped and orders have been placed for all major equipment and procurement is on schedule. The civil sub contracts have been awarded and the work has commenced on all fronts including the water treatment plant and the reservoirs.

The execution of Al Madina Al Shamaliya Sewage Treatment Plant in Bahrain is completed and the reliability run for the entire plant has also been achieved. The plant is now in Operation & Maintenance phase.

In our 3 new projects in Qatar, Tunisia and Kingdom of Saudi Arabia, conceptual and basic engineering activity is currently under progress. We are in the process of setting up local office and obtaining the required legal registrations for project execution. With engineering activity underway, we will commence ordering and construction in these projects from next quarter onwards.

With this, we now open the floor for Question-and-Answer.

**Concluding Para:**

Thank you everyone for your participation in our Q3 FY19 earnings call. We have uploaded the analyst presentation in our website. In case you have further queries you may get in touch with Stellar IR Advisors, our investor relation advisor based at Mumbai or feel free to get in touch with us directly.