

Earning's call speech Q1 FY 22

Mr. Rajiv Mittal:

Thank you.....

Dear Friends, Good Evening.

Let me welcome you all to the Earnings Call post announcement of Q1 FY 22 results of VA Tech WABAG Limited. Joining me today for this earnings call is, Mr. Skandaprasad Seetharaman, our Group CFO. Let me take a moment to introduce Skandaprasad to you all.

Skandaprasad has varied experience in WABAG in multiple roles and capacities and he was our Group Finance Controller for the last 4 years. Skanda was identified as a High Potential resource under the WABAG Hi-Pot Leadership program, and I am pleased to note that he has been groomed well to assume this higher responsibility of Group CFO. I wish him the all the best for his new role.

We hope you all had a chance to go through the results update.

Despite the second wave of COVID-19, business activities continued to progress well into the first quarter of this fiscal. Construction and supply chain has now reached near pre-COVID levels.

We are extremely happy to have recently won an Engineering and Procurement order worth 165 Million USD which is about Rs. 1200 Crore from Amur Gas Chemical Complex LLC in Russia. AGCC is a joint venture of SIBUR Holding Russia and China Petroleum & Chemical Corporation ('Sinopec'), China. AGCC is set to become one of the world's largest basic polymer production facilities.

This order further consolidates WABAGs position in the Oil and Gas sector, wherein we will deploy advanced technologies to treat the waste water streams. The facility will maintain a Zero Liquid Discharge (ZLD) and will be designed to Recycle & Re-use the water released from the petrochemical unit, substituting about 25% of the raw water intake requirement. The deployment of ZLD and Recycle & Re-use makes the facility environmentally friendly and meets stringent environmental regulations.

WABAG has strong track record of successfully executing many such technologically advanced large projects globally, which was one of the key reasons for us to secure this prestigious award against international competition. We are confident that this order will be a game changer for WABAG.

Our order pipeline continues to be robust for the year ahead.

Coming to some key project updates...

Our MARAFIQ project in the Kingdom of Saudi Arabia to design and build a large-scale sewage treatment plant with a capacity of 120 MLD, for Jubail Industrial City is nearing final stages. All engineering and equipment deliveries are complete and installation is underway. Pre-commissioning activities are expected to commence within this fiscal.

At our 300 MLD Independent Sewage Treatment Plant at New Jeddah Airport in Kingdom Of Saudi Arabia, which is being built with the state-of-the-art NEREDA technology, the project continues to progress well. Detailed engineering and ordering is nearing completion. Construction activities from customer's side is currently underway.

In our Effluent Treatment Plant being executed for Purolite in Romania, which includes 15 years of Operation & Maintenance, the project has been commissioned ahead of schedule, despite COVID-19 challenges. Currently we are awaiting client clearance for startup and commencement of operations. Thereafter, WABAG will run the Operation & Maintenance of the plant starting H2 FY 22.

At our Doha South project in Qatar which is being executed for Public Works Authority (ASHGAL) towards rehabilitation of South Doha Sewerage Treatment facility using advanced technologies to treat additional sewage, which will be generated from the football stadium constructed for the FIFA world cup 2022, detailed engineering and deliveries at site are completed and we expect to complete the project by this year end.

In our Zarat, Sea Water Reverse Osmosis plant of 50 MLD capacity, expandable to 100 MLD being executed for Sonede in Tunisia, the project is progressing well with engineering and ordering almost complete. Civil works at site are at peak progress, equipment deliveries and installation activities are underway.

Close on the heels of WABAG being ranked 4th globally among private water operators, I am honored to have been recognized by Global Water Intelligence among the World's Top 20 Transformative Leaders in Water Sector. It is a matter of pride that only 3 out of 20 are from EPC companies and this has come at a time when WABAG would be celebrating 25 years of service to the society, particularly, in Indian Water Industry. This is certainly a moment of pride for all of us and I fully owe this global recognition to the WABAG family and all our stakeholders.

I would like to express my sincere thanks to our direct and indirect employees and all the stakeholders including our customers, suppliers, investors and bankers for their continued support along the journey.

I would now request Skanda to take you through the financial highlights for the quarter.

Over to you Skanda.....

Mr. Skandaprasad Seetharaman:

Thank you Mr. Mittal....

Good evening Friends,

It is indeed an immense honour for me, to be entrusted with the role of Group CFO of WABAG. My sincere thanks to the Group Management and the Board of Directors, for having reposed faith in me to deliver this important responsibility. As a leader in the water sector, WABAG is well poised for a profitable growth with an order book of over 10,000 Crore and a robust order pipeline. With the continued support of all our stakeholders and my fellow WABAGites, I look forward to be part of the Leadership team as we expand our horizons and strengthen our global leadership position.

Trust you had an opportunity to look at the result update presentation as circulated and uploaded on our website. Let me take you through the key financial highlights for the quarter ended 30th June 2021.

Our consolidated revenue from operations stood at Rs. 658 Crore, up by 53% as compared to same quarter of previous year. On a standalone basis, the revenue from operations was Rs. 469 Crore, up by 66% as compared to same quarter of previous year.

EBITDA for the year stood at Rs. 40 Crore on consolidated basis and at Rs. 26 Crore on standalone basis.

Continuing our endeavor for profitable growth, Profit after Tax attributable to owners for the period stood at Rs. 15.2 Crore on consolidated basis, almost 3x of our profit for the same quarter of previous year. The Profit attributable for Tax stood at Rs. 10.4 Crore on standalone basis.

We thank our bankers, vendors, investors and all other stakeholders for the continued support extended to us during the quarter and going forward.

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

Concluding Para:

Thank you everyone for your participation in our Q1 FY22 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.