

## **Earning's call speech Q2 FY 22**

**Mr. Rajiv Mittal:**

Thank you.....

Dear Friends, Good Evening.

Let me welcome you all to the Earnings Call post announcement of Q2 FY 22 results of VA Tech WABAG Limited. Joining me today for this earnings call is our Chief Financial Officer, Mr. Skandaprasad Seetharaman.

Our best wishes to you all on this auspicious occasion of Diwali.

Moving on to our performance for the quarter, economic activities continued to progress well as most of the construction and supply chain are at near normal levels. During the quarter, we further expedited the pace of execution across sites by deploying sufficient resources and requisite working capital. This was essential to ensure the project progress is well ramped up, as we move into the second half of the fiscal.

Coming to some key project updates...

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 complete. Civil and marine works are at peak and in advanced stage of completion; equipment deliveries are underway.

Our One City One Operator O&M contract in the cities of Agra & Ghaziabad has been ensuring treatment of 670 MLD of sewage, adhering to national treatment standards and serving a population of over 3 Million people. One of the major objectives for us in this project is to eliminate manual intervention in underground sewage network by deploying mechanized technologies. Since our takeover of the project, we have renovated 4 STP's and associated network with a treatment capacity of 230 MLD. As part of this contract, we operate a customer call center for resolving public grievances in a timely manner.

Moving on to our Hybrid Annuity Model project in Kolkata, detailed engineering is complete and ordering is nearing completion. Civil activities are currently underway and the equipment deliveries will commence soon.

In our latest Amur Gas Chemical Complex project in Russia, we have established our branch office in Moscow to facilitate the project execution. We have signed the contract with the customer, basic engineering activities are complete and detailed engineering is currently underway. Our local engineering & procurement teams are in place at Russia, to work closely with the customer and local vendors.

Moving on to the ordering activities, we are witnessing good traction in the Middle East-Africa and Indian markets as tendering activities are gaining momentum in these geographies. We are witnessing increased interest from multi-nationals and other financial institutions to invest in the water sector, as the post COVID recovery phase begins. Governments across the globe have been unveiling long-term plans as well as regulatory changes towards water and hygiene.

As you know, ESG and Sustainability have become the norm now in every industry and one of the most important components of this is water security. All these factors give us confidence that with WABAG's commitment to technology and sustainability, we are well poised to continue growing profitably and enhance our global leadership position.

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,

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 half year ended 30<sup>th</sup> September 2021.

Our revenue from operations on consolidated basis stood at Rs. 1,342 Crore, up by 29% year over year. On a standalone basis, the revenue from operations was Rs. 973 Crore, up by 54% year over year.

The Consolidated EBITDA for the period stood at Rs. 97 Crore, which was up by 34% year over year and the Standalone EBITDA for the period stood at Rs. 71 Crore up by 30% year over year.

We continue to grow profitably in this quarter as well, the Profit after Tax attributable to owners for the period at Rs. 42 Crore on consolidated basis, up by about 90% year over year. On a standalone basis, the Profit after Tax stood at Rs. 30 Crore, up by about 146% year over year.

On the core metrics, our core EBITDA stood at 8.5% and the core PAT at 4.1%. The core Return on Capital Employed i.e. RoCE was 21.1% and the core Net Working Capital days stood at 79 days.

During the period, we have deployed resources into the projects across the Group to ensure execution is expedited this quarter, which is reflective in the topline growth and improved margin profiles year over year. Despite higher sales, the trade receivables have remained similar as March 21, signifying better billing and collection turnover. The cash flow used in operations of about Rs. 250 Crore was primarily deployed towards expediting the pace of project execution.

We express our heartfelt thanks to our bankers, vendors, investors and all other stakeholders for the continued support extended to us.

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

**Concluding Para:**

Thank you everyone for your participation in our Q2 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.