

Charting Growth Trajectory

2018-19 Annual Report

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Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Charting Growth Trajectory

We are witnessing traction across all the geographies that we currently operate in, with a smart and robust order book. Our key differentiating factor has been our specific advantage of becoming global, but being local, in the marketplace. We are also strongly positioned to select orders with better margins, which is steering us towards an advantageous position of growth. We remain poised to leverage the buoyant demand in oil & gas and water sectors, which will translate into significant visibility on revenues and profitability.

Grounded in solid strategies, we are looking ahead with optimism. We have followed the approach of financial prudence and have strengthened the balance sheet by paring debt and thereby improving return on capital employed. We are driving towards profitable growth, enabling us to deliver superior returns on equity. Moving ahead, with operational excellence as our credo, we are poised to take off, and leverage growing market opportunities.

Welspun Corp - At a Glance

Welspun Corp Ltd. (WCL) is the flagship company of the USD 2.7 billion Welspun Group. We are a one-stop service provider of welded line pipes, offering complete solutions and capabilities to manufacture a variety of pipes, catering to sectors like oil & gas and water resource management. Our aggregate order book stands at an all-time high at 1.7 million tonnes, valued at USD 2.15 billion.

- ◆ **Strong balance sheet**
Minimal net debt; Asset sale to result in net cash
- ◆ **Focus on free cash flows**
Only maintenance capex; minimal working capital
- ◆ **Value to shareholders**
Through regular dividends and buyback

FINANCIAL STRENGTH

Attractive industry outlook leading to all-time high order book at 1.7 million tonnes (USD 2.15 billion)

OPERATIONAL EXCELLENCE

- ◆ **'Global but Local'**
World-class facilities in key geographies for all line pipe requirements
- ◆ **Impeccable track record of flawless execution**
Complex projects delivered on time
- ◆ **Global approvals and accreditations**
from marquee customers

With an aggregate capacity of 2.55 million MTPA and a culture of 'Engineering Excellence' and credible clientele, we supply pipes to some of the most challenging projects.



We are...

- ◆ One of the world's largest welded line pipe manufacturing company
- ◆ Preferred supplier of Line Pipes to many of Oil & Gas companies part of Fortune 100

Current Order Book

1.7 million
tonnes

Our Manufacturing Facilities



Country: India

Region: Dahej, Anjar, Mandya and Bhopal

Capacity: 1,655 KMT



Country: United States

Region: Little Rock

Capacity: 525 KMT



Country: Saudi Arabia

Region: Dammam

Capacity: 375 KMT

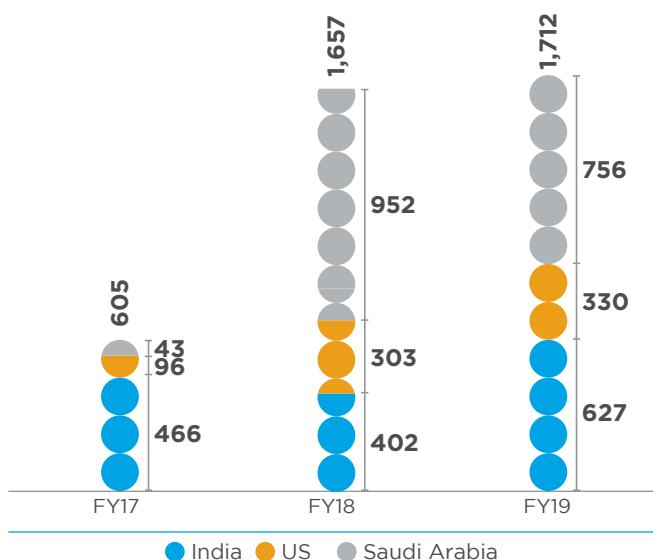
Our Competitive Strengths

- ◆ End-to-end products and solutions
- ◆ Diversified global presence
- ◆ Advanced technological prowess
- ◆ Focus on R&D and pipeline technology
- ◆ Expertise in complex projects
- ◆ Partnership with global giants
- ◆ Experienced professional team

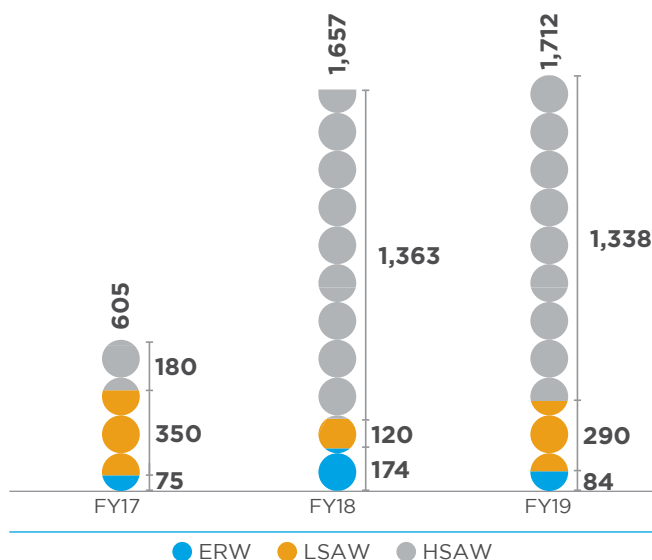
Our Prestigious Projects

- ◆ Amongst the deepest pipeline project in the Gulf of Mexico, US
- ◆ Amongst the heaviest pipeline project in Persian Gulf
- ◆ Amongst the highest gas pipeline project in Latin America
- ◆ Amongst the longest pipeline project from Canada to US
- ◆ Amongst the longest offshore pipeline in the Arabian Gulf

Order book by Region (KMT)



Order book by Type (KMT)



Our Diversified Product Portfolio

With comprehensive knowledge, extensive experience and continuous innovation, we have created a diversified, yet synergistic products offering. Our products are woven around strong design and execution proficiency, driving innovation and cost-efficiency.



HSAW Line Pipes

- ◆ Helically welded pipes made from HR coils, used for onshore oil, gas and water transmission
- ◆ 24-140 inch diameter, moderate wall thickness



LSAW Line Pipes

- ◆ Longitudinally welded pipes made from HR plates, used for onshore and offshore oil & gas transmission
- ◆ 16-60 inch diameter, high wall thickness



ERW/HFIW Line Pipes

- ◆ High frequency electric welded pipes made from HR coils, used for downstream distribution of oil, gas and water
- ◆ 1.5-20 inch diameter, low/moderate wall thickness



Plates & Coils

- ◆ Produces plates and coil for pipe manufacturing and other applications like wind tower



Coating Systems

- ◆ External 3-Layer Polyethylene (3LPE), 3-Layer Polypropylene System (3LPP), Single & Dual Layer Fusion Bonded Epoxy (FBE/DFBE), Internal Solvent, Solvent Free Coating, Coal Tar Enamel and Inside Cement Mortar Lining and Concrete Weight Coating



Ancillary Services

- ◆ Pipe Bending
- ◆ Double Jointing
- ◆ Dump Site & Inventory Management

Corporate Journey and Milestone

Our Milestones

1997

- ◆ Diversified into the pipes business – Submerged Arc Welded (SAW) pipe unit at Dahej, Gujarat, India

1998

- ◆ Established the first 50,000 MTPA HSAW mill at Dahej, Gujarat

2000

- ◆ Commissioned a 200,000 MTPA LSAW mill at Dahej with Mannesmann Germany

2001

- ◆ Embarked on a Joint Venture (JV) with Eupec Coatings GmbH, Germany
- ◆ Set up a pipe coating facility in Dahej, Gujarat

2005

- ◆ Established Welspun City at Anjar, Gujarat
- ◆ Expanded pipe facilities at Anjar, Gujarat

2007

- ◆ Bagged a 1,700 km keystone project from Trans Canada

2008

- ◆ Integrated plate and coil mill at Anjar, Gujarat
- ◆ Set up 150,000 MTPA HSAW mill at Anjar, Gujarat
- ◆ Achieved Level II automation, rolled X-70API Grade of 4.5 meters wide



2009

- ◆ Commissioned a 350,000 MTPA HSAW pipes facility in Arkansas, US
- ◆ Started a coil mill at Anjar, Gujarat

2010

- ◆ Rechristened as 'Welspun Corp Limited'
- ◆ Increased capacity for LSAW by 350,000 MTPA in Anjar, Gujarat and for HSAW by 100,000 MTPA in Mandya, Karnataka
- ◆ Completed investment in the Middle East with a 300,000 MTPA HSAW facility in Saudi Arabia

2011

- ◆ Established Welspun Middle East in Dubai
- ◆ Acquired 35% stake in Leighton Contractors (India) Private Limited
- ◆ Raised USD 290 million through GDRs & CCDs

2012

- ◆ Commenced the installation of a 175,000 MTPA HFIW mill in Arkansas, US
- ◆ Enhanced the existing capacity of 100,000 MTPA HSAW in Mandya, Karnataka, further by 50%

2013

- ◆ Achieved the highest-ever pipe production, sales volumes and order booking at 1 million MTPA
- ◆ Commissioned a 175,000 MTPA small diameter HFIW mill in the US to cater to the shale gas business
- ◆ Demerged non-pipe businesses into Welspun Enterprises
- ◆ Strengthened the core-pipe business management team with several new professional CXO-level hires

2014

- ◆ Received the first order from Shell USA, single-largest order from Saudi Arabia and strategic orders from Statoil, TOTAL and South Stream
- ◆ Commissioned a double jointing plant and internal and external coating plants in Saudi Arabia and Anjar (Gujarat), respectively
- ◆ Sustained 1 million MTPA in pipe production, sales volumes and order booking

2015

- ◆ Recorded high production and sales volumes at the Saudi Arabia facility with significantly improved financial performance
- ◆ Stabilized the HFIW mill and streamlined operations at the US facility
- ◆ Revitalized operations at LSAW, and Plate and Coil Mills in India

2016

- ◆ Surpassed 1 million MTPA in pipe production and sales volumes for the 4th consecutive year; order book at record high
- ◆ Set-up Concrete Weight Coating (CWC) plant at Anjar, Gujarat in JV with Wasco Energy Ltd.

2017

- ◆ Started production at the Concrete Weight Coating plant at Anjar, Gujarat

2018

- ◆ Surpassed 1 million MTPA in pipe production and sales volumes for the 5th time in last 6 years

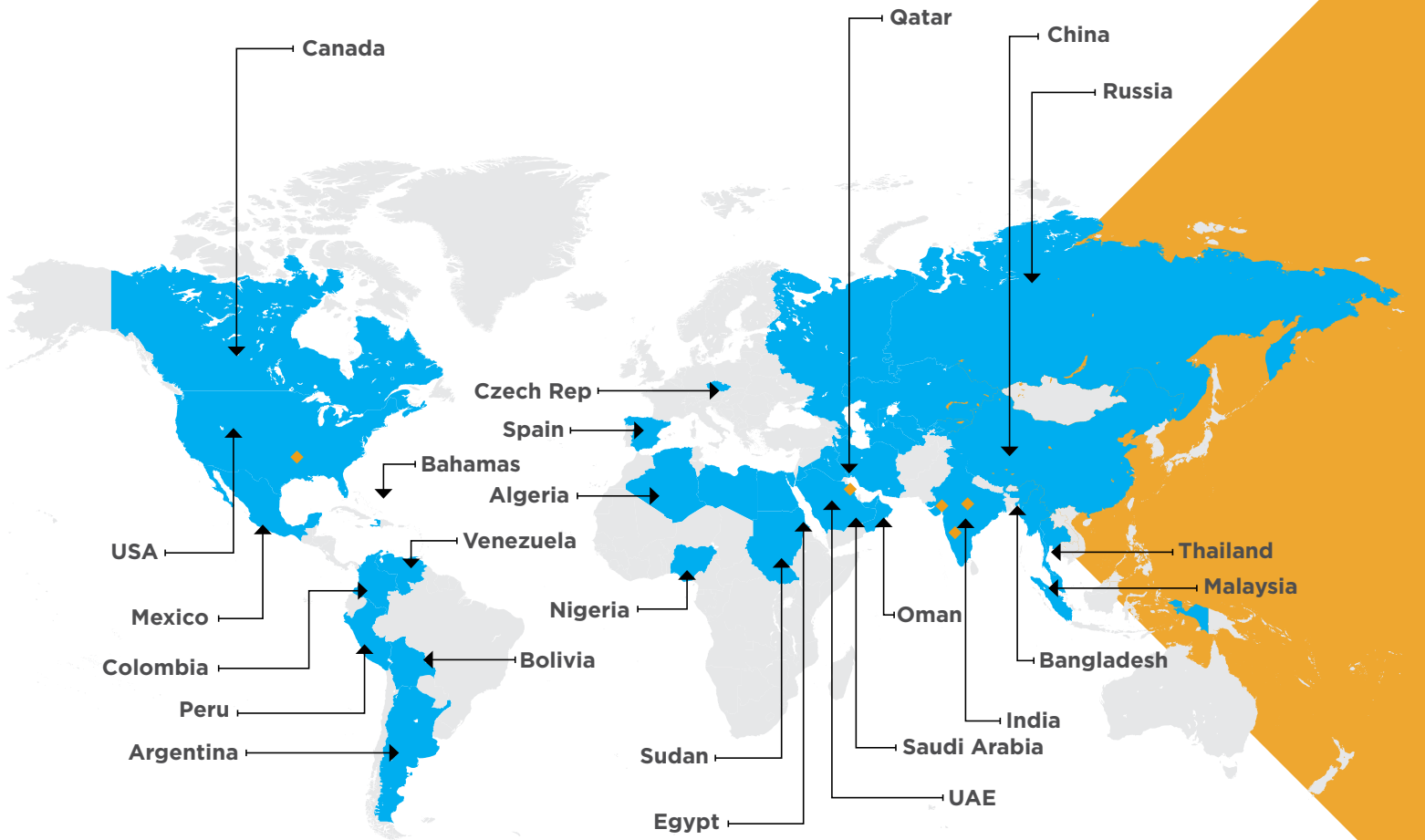
2019

- ◆ WCL completed the establishment of an HSAW Line Pipe Manufacturing facility at Bhopal, MP
- ◆ WCL announced the divestment of its Plates and Coil Mill Division (PCMD)



A Diversified Global Presence

Our operations are spread across India, USA and Saudi Arabia. We remain poised to leverage the buoyant demand in oil & gas and water sectors, gaining significant visibility on revenues and profitability.



- ◆ Manufacturing Plants
- Countries Served

Plant Location

- ◆ Anjar, India
- ◆ Dahej, India
- ◆ Mandya, India
- ◆ Bhopal, India
- ◆ Little Rock, USA
- ◆ Dammam, Saudi Arabia

Marketing Offices

- ◆ Mumbai, India
- ◆ Houston, USA
- ◆ Dammam, Saudi Arabia

Our Manufacturing Capacities (In 000' Metric Tonnes)

India (1)



LSAW: 700
HSAW: 755
ERW/HFIW: 200
Coating Systems: ✓

United States (2)



LSAW: -
HSAW: 350
ERW/HFIW: 175
Coating Systems: ✓

Saudi Arabia (3)



LSAW: -
HSAW: 375
ERW/HFIW: -
Coating Systems: ✓

2.55 million
Metric Tonnes
Total Combined Installed
Capacity

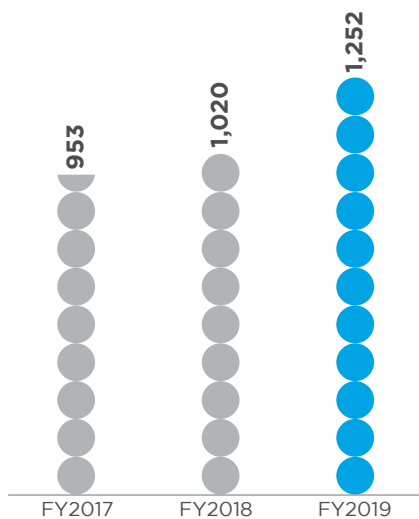
Our Operational Highlights

Key Highlights of FY2019:

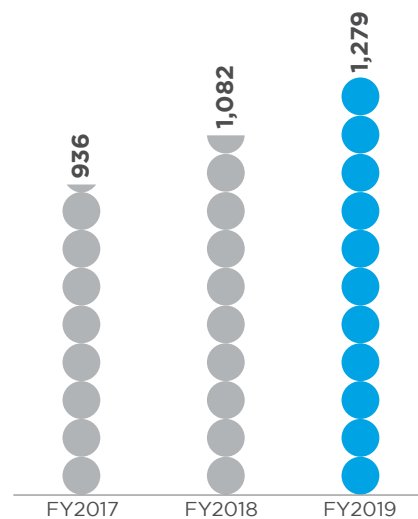
Current order book stands at
1,712 KMT

Orders won during the year on a global basis
1,334 KMT

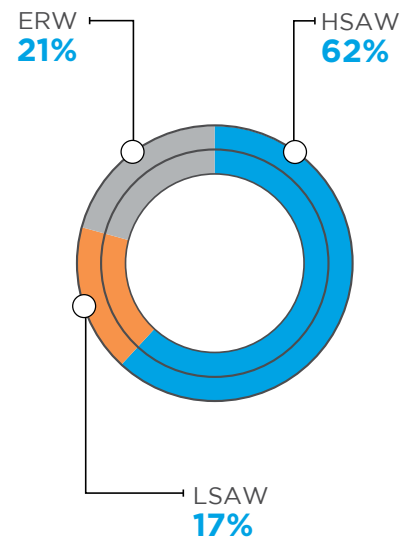
Production of Pipes (KMT)



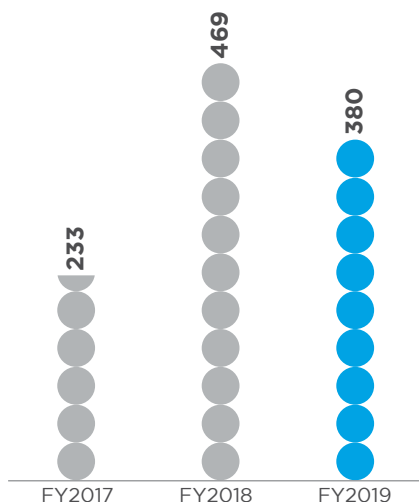
Sale of Pipes (KMT)



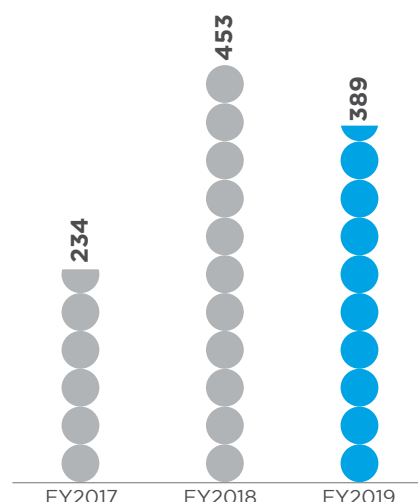
Sales by Type



Production of Plates/Coils (KMT)



Sale of Plates/Coils (KMT)



Sales by Plant

