

Strong Increase in Pipe Volumes

Mumbai, October 31, 2022: Welspun Specialty Solutions Limited (“WSSL” or “Company”), today announced its Q2 FY23 results.

- **Healthy Order Book driven by a favourable demand environment**
- **Order Book for Stainless Steel Bars: 1,387 MT | Tubes and Pipes: 1,853 MT**
- **Pipe Sales Volumes for Q2 FY23 up 96% YoY**
- **Total Income from Operations for Q2 FY23 up 351% YoY, driven by SS Bars**

Financial Highlights

- **Order Book:** The total order book of the company for Stainless Steel Bars stands at 1,387 MT amounting to Rs. 37 crores and for Tubes and Pipes stands at 1,853 MT amounting to Rs.129 crores.
- **Sales Volumes:** Pipe volumes higher by 96% for Q2 FY23 and 95% for H1 FY23, both compared to the corresponding period in the previous year.

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H1 FY22
Stainless Steel Bars (MT)	1,081	1,557	-	2,638	142
Pipes (MT)	1,009	692	515	1,701	873

1) Steel melting facility restarted in Q3FY22

- **Financials:** Total Income 351% higher for Q2 FY23, compared to the corresponding period in the previous year.

Income Statement Snapshot (Rs. Crs)					
Particulars	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H1 FY22
Total Income	93.7	85.4	20.8	179.1	39.2
EBITDA	0.3	0.8	(4.3)	1.0	(10.5)
Profit Before Tax (PBT)	(10.7)	(8.0)	(11.6)	(18.7)	(25.1)
<i>Exceptional Gain/(Loss)</i>	-	-	0.1	-	0.1
Reported PBT	(10.7)	(8.0)	(11.4)	(18.7)	(24.9)
Profit After Tax (PAT)	(10.7)	(8.0)	(11.4)	(18.7)	(24.9)
Cash PAT	(7.0)	(4.3)	(7.9)	(11.3)	(17.8)

Notes:

- Cash PAT = PBDT (adjusted for cash exceptional items) – Current tax
- Prior period figures have been restated wherever necessary

Standalone Balance Sheet Snapshot (Rs. Crs)	30 th Sep 2022	31 st Mar 2022
Net Worth (including preference shares)	41.2	58.4
Gross Debt	247.5	226.0
LT Debt (including Current Maturities)	215.8	225.2
Short Term Debt	31.7	0.8
Cash & Cash Equivalents	1.0	5.9
Net Debt	246.5	220.1
Total Net Fixed Assets (including CWIP & Intangible)	213.1	218.5
Net Current Assets	95.2	70.8

**Financials for previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable.*

Key Business Updates

- BIS standard for Seamless tubes & pipes (BIS 17875) has been introduced which will be favourable for integrated players like us, eliminating competition from sub-standard quality import products. Company has already initiated the process of obtaining the accreditation.
- The DGTR has released a gazette notification proposing Anti-Dumping Duty on Stainless Steel Seamless Pipes & Tubes (chapter 7304) imported from China. This would further significantly improve business prospects, both in the domestic and export markets, once this receives approval from the finance ministry.
- The company delivered its first order from an Oil & Gas sector PSU for Monel UNS-N04400 Grade tubes.
- The company delivered its first order in Ni-Alloy Grade UNS N08825 Pipes.
- The company expects its improved performance to sustain, on the back of several new customer approvals, accreditations and development of new products.

Management Comments

Commenting on the results, Mr. B. K. Goenka, Chairman, Welspun Group said, *“I am very pleased with the incremental performance shown by the Company on a QoQ basis. The diversified product portfolio, expanding customer base both in domestic and export markets, Government interventions and being an integrated SS producer, positions this company for strong growth in subsequent quarters to come.”*

Mr. Vipul Mathur, Managing Director and Chief Executive Officer, Welspun Corp Limited added, *“The increased demand from key sectors like oil refineries, petrochemicals, chemicals, pharmaceuticals, defense and power, along with implementation of BIS and the proposal for Anti-Dumping Duty on substandard and cheap imports, is laying a strong foundation for substantial growth in this sector. This coupled with new approvals & accreditations, incremental performance demonstrated on a QoQ basis and quality acceptance both in domestic and export markets, will lead to improved earnings and better margins in subsequent quarters.”*

About Welspun Specialty Solutions Ltd.

Welspun Specialty Solutions Limited (WSSL) is a part of global conglomerate 'Welspun Group', one of India's fastest-growing multinationals with a leadership position in line pipes, home textiles, infrastructure, warehousing, retail, advanced textiles, and flooring solutions.

WSSL is an ISO 9001:2008 & TS:16949 accredited company and a world-class manufacturer of value-added Alloy & Stainless Steel products that are globally benchmarked. It is the only Indian integrated producer of quality Stainless Steel Seamless Pipes & Tubes right from steel-making to the final finished products. WSSL has a steel-making capacity of ~150,000 tons per annum and a seamless pipe & tube capacity of ~18,000 tons per annum.

WSSL has a state-of-the-art fully integrated steel melting shop, hot rolling mill, and hot extrusion-based seamless pipe plant, all under one roof.

The company has invested heavily in the latest infrastructure and ultra-modern technologies, keeping in view its unwavering focus on quality, processes, and commitment to customers.

Given the setup and the expertise, WSSL is successfully catering to niche applications in sectors like Energy, Defence, Nuclear Power, Aerospace, Oil & Gas, Petrochemicals, Food, Fertilizers, Pharma, Desalination etc.

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