Company Name: WPIL Ltd.

Quarter under review: Q4-FY26

WPIL Ltd – Q4-FY26/FY26 Concall Highlights:

WPIL Ltd (Consolidated)								
INR In Mn	Q4-FY26	Q4-FY25	Y-o-Y	Q3-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	5,112	5,719	-10.6%	5,387	-5.1%	18,546	18,069	2.6%
EBITDA	762	799	-4.7%	1,126	-32.4%	3,183	2,926	8.8%
EBITDA M (%)	14.90%	13.97%	93 bps	20.91%	-601 bps	17.17%	16.19%	98 bps
PAT from continuing operations	466	-242	NA	756	-38.4%	1,997	1,262	58.2%
PAT M (%)	9.11%	-4.23%	NA	14.03%	-492 bps	10.77%	6.98%	379 bps
Diluted EPS	4.14	0.18	NA	5.56	-25.5%	16.19	13.52	19.7%

Operational Highlights:

- Strengthened revenue visibility with a consolidated order book of approximately INR 6,000 crore, led by large-scale South African water infrastructure projects.
- Accelerated international business growth with overseas revenues increasing sharply to INR 1,136 crore in FY26, driven by strong execution across Africa, MENA, Europe, Australia, and Southeast Asia.
- Secured large cooling water pump contracts from DVC and Deepak Chemicals, reinforcing presence in the power and industrial segments.
- Revived momentum in the domestic water infrastructure business following the approval and gradual fund release under Jal Jeevan Mission (JJM) Phase 2.
- Expanded South African project portfolio through sizeable contracts secured by PCI Africa and Eigenbau in the municipal water and wastewater sectors.
- Strengthened market positioning in the MENA region through robust order inflows for high performance pumps catering to oil & gas and gas turbine applications.
- Benefited from sustained demand momentum in Australia, supported by increasing investments across LNG and mining infrastructure projects.
- Achieved record performance at WPIL Thailand, with revenues surpassing INR 300 crore for the first time during FY26.
- Enhanced business diversification with international operations contributing nearly 65% of consolidated revenues across balanced product and project portfolios.
- Expanded recurring revenue visibility through the scaling up of Operations & Maintenance (O&M) opportunities linked to completed domestic water projects.
- Positioned the Product Division for sustained growth through healthy order inflows across power, industrial, mining, LNG, and water infrastructure sectors globally.
- Advanced strategic expansion initiatives by actively evaluating acquisitions aimed at strengthening front-end presence in the US and Middle East markets.

Key Questions & Answers discussed during the Concall:

- **How is the INR 6,000 crore order book split between the Product and Project divisions, as well as across geographies?** Approximately INR 5,000 crore of the order book is attributable to the Project Division, while the remaining INR 1,000 crore pertains to the Product Division. Geographically, the order book includes nearly INR 3,000 crore from South Africa, around INR 2,000 crore from domestic Indian projects, nearly INR 500 crore from O&M contracts in India, approximately INR 330 crore from Italy, and around INR 80 crore from Australia.

- **What are the primary growth drivers expected to support the company's performance in FY27?** We expect growth to be driven by three key factors: sustained momentum in the Domestic Products business, the gradual revival and execution ramp-up under Jal Jeevan Mission (JJM) Phase 2, and the scaling up of execution across the South African project portfolio. Additionally, the Product Division continues to benefit from strong demand across the power, industrial, mining, LNG, and water infrastructure sectors globally.

- **Why did consolidated revenues and margins decline during Q4 FY26 despite a healthy order book and strong long-term outlook?** The decline was primarily attributable to lower execution in the domestic Project Division during the quarter, even as site establishment and project-related costs continued to be incurred. We highlighted that quarterly profitability can fluctuate materially depending on project mix, execution timing, geographical contribution, and the stage of project execution. We emphasized that margins should be evaluated from a medium-term perspective rather than on a single-quarter basis.

- **What differentiates the South African projects from traditional domestic EPC projects in India?** The South African projects are largely process-oriented and electromechanical in nature, involving significantly lower civil construction and pipeline work compared to domestic Indian projects. These projects are technologically advanced, engineering-intensive, and focused on complex water reuse and wastewater treatment applications. As a result, they carry structurally superior margins, lower labor intensity, stronger cash flow dynamics, and more favorable contractual terms compared to conventional Indian water infrastructure projects.

- **What is the status of the tax refund related to the sale of the Rutschi business?** We have already filed the necessary appeals and initiated the required legal proceedings related to the matter. Based on the advice received from our tax advisors, we remain confident of achieving a favorable outcome, although the overall resolution process could take approximately 18 months.

- **Is the company evaluating acquisitions to strengthen its global presence?** We continue to actively evaluate strategic acquisition opportunities, particularly within the Product Division, with a focus on expanding geographical reach and strengthening front-end market access in key regions such as the United States and Saudi Arabia. The objective is to leverage the our strong engineering and manufacturing capabilities to support acquired businesses globally.

- **What is the current status of receivables linked to Jal Jeevan Mission (JJM) projects?** Receivables remain elevated primarily due to delayed fund releases under the Jal Jeevan Mission. We expect collections to gradually improve as approvals, fund sanctions, and state-level allocations under JJM Phase 2 continue to progress. Initial fund releases have already commenced across certain states, and collections are expected to improve over the coming quarters.

- **What is the outlook for the company's Operations & Maintenance (O&M) business?** The O&M business is expected to emerge as an increasingly meaningful revenue contributor as multiple domestic projects transition into the operations and maintenance phase. We currently have an O&M opportunity base of nearly INR 500–530 crore, which is expected to scale up progressively over FY27 and beyond, thereby improving revenue stability and recurring cash flow visibility.

- **How is the company managing the volatility in raw material prices?** Raw material inflation, particularly in stainless steel and other specialized metals, continues to remain volatile due to geopolitical disruptions and supply-side constraints. We believe the current environment is characterized more by volatility than a structural upward trend and is therefore adopting a calibrated and closely monitored approach toward procurement, pricing, and project execution.

- **What is the status of the litigation concerning the Madhya Pradesh arbitration proceedings?** The litigation pertaining to the Madhya Pradesh project remains under arbitration following the termination of the contract. The arbitration process is progressing gradually, although the overall resolution timeline continues to remain slow.

Key Participants:

- *Balu Lamkhade – Parami Financial Services*
- *Deepak Purswani– Svan Investments*
- *Tanya Kothari – AUM Fund Advisors*
- *Ravi Naredi – Naredi Investments*

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