RATING Not Rated | CMP INR 685 | TP NA

Welspun Enterprises (WELENT IN)

Analyst Meet Update

November 23, 2026

Water-led expansion and asset-light opportunities

Key Data	WELS.BO | WELENT IN
BSE Code	532553
NSE Code	WELENT
52-W High / Low	INR 842 / INR 412
Face Value	10
Sensex / Nifty	82,436 / 25,350
Market Cap	INR 94.88 / $ 1.02 mn
Shares Outstanding	138.4 mn
3M Avg. Daily Value	INR 462.83 mn

Shareholding Pattern (%)

Promoter's	56.13
Foreign	7.92
Mutual Funds	5.10
Domestic Institution	1.09
Public & Others	29.76
Promoter Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	7.8	8.2	35.1	28.5
Relative	(4.8)	3.3	27.8	30.9

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25	FY26
Sales (INR mn)	27,582	28,742	36,953	36,154
EBITDA (INR mn)	3,911	6,165	7,302	8,447
Margin (%)	*14.2*	*21.4*	*19.8*	*23.4*
PAT (INR mn)	6,848	3,488	3,836	4,061
EV (INR mn)	20,965	44,348	74,576	72,676
Total Debt (INR mn)	7,536	7,525	14,905	19,719
C&C Eq. (INR mn)	15,994	7,280	5,123	1,740
EPS (INR)	48.2	21.6	23.6	25.8
Gr. (%)	*NA*	*(55.1)*	*9.1*	*9.3*
DPS (INR)	8.5	3.0	3.0	3.0
Yield (%)	*6.8*	*1.6*	*0.6*	*0.7*
RoE (%)	33.1	14.9	15.8	15.2
RoCE (%)	23.2	19.0	19.1	16.4
EV/Sales (x)	0.8	1.5	2.0	2.0
EV/EBITDA (x)	5.4	7.2	10.2	8.6
PE (x)	2.6	14.1	20.5	16.1
P/BV (x)	0.8	1.8	2.6	2.0

Quick Pointers

- Management targets ~15% revenue growth and EBITDA margins above 18%; however, delayed JJM receivables warrant monitoring
- Long-term O&M contracts and the AWEL gas opportunity provide diversification and potential annuity income, with first gas targeted in FY29

We attended the investor day of Welspun Enterprises Ltd (WEL), where management highlighted growth opportunities across Water, Transportation and Tunnelling EPC opportunities. The order book has expanded from INR 84bn in FY22 to INR 197bn in March 2026, with a target of INR 500bn over the next three years. As of 1HFY27, order book is from Water (treatment, desalination work) at 54%, Transportation (road, bridges) at 30% and Tunnelling at 16%. And in water, 50% of the order book comprises of long-term O&M contracts, providing revenue visibility. Water remains the key growth driver, led by marquee Mumbai projects at Bhandup (2,000 MLD), Panjrapur (910 MLD) and Dharavi (418 MLD), while partnerships with Veolia and Xylem will strengthen execution capabilities and enable independent bidding for large projects. WEL maintains a healthy balance sheet with cash of INR 17.3bn, net D/E of 0.2x and AA credit ratings; however, the working-capital cycle has elongated to ~80 days from 24 days in FY22, partly due to INR 3bn of outstanding JJM receivables, which management attributes to changes in the government's billing process. Management targets ~20% annual order book growth, ~15% revenue growth, EBITDA margins above 18% and ROCE of ~18%. While EBITDA margins stood at 22.8% and ROCE at ~18% last year, revenue declined 2% in 1HFY27, making execution and collections key monitorables. The stock trades at 17x TTM EPS and is currently not rated.

Last year's promises vs what they delivered: Management called it "3 out of 4." Order book growth (about 20%), EBITDA margin (22.8%) and ROCE (about 18%) were met. The miss was revenue: they promised 15% growth, but revenue fell 2% to INR 36.15bn. They blamed delayed orders, a long monsoon and supply-chain problems. Note that the ROCE figure includes gains from selling projects.

Water doing large projects: This is the core business. The flagship projects are all in Mumbai: the Bhandup plant (2,000 MLD) and the Panjrapur plant (910 MLD), both using Veolia's technology, and the Dharavi wastewater plant (418 MLD), using Xylem's. Once finished, WEL will handle over half of the Mumbai region's drinking water. The contracts are in WEL's own name, with the partners supplying technology and equipment, so WEL earns the track record to bid for big projects alone later. The tie-ups are project-by-project for now, but both sides want a longer-term relationship. Desalination, water reuse and high-purity water for data centres and chip plants are future ideas. Zero-discharge treatment is still at the stage of evaluating technologies, and there are no orders yet.

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Tunnelling a complex engineering work: The main tunnel is Dharavi–Ghatkopar: 8.3 km long, 150 m underground. India plans about 3,000 km of tunnels in the next decade, more than it built in the last 75 years. WEL also repairs old pipes and builds storm-water pumping stations. Almost all of this work is in Maharashtra, so expanding to other states is the next step.

Oil & gas target commissioning FY29: The JV's three offshore blocks hold about 1.1 TCF of gas in place, though only part of that can be extracted. Independent certification is due in a few weeks. A 2025 policy change lets them use ONGC's pipelines, so they need only a 30 km pipeline instead of 180 km. That cut total cost from about $1 billion to about $300 million, of which WEL's share is about $100 million. WEL has already invested about INR 4.5bn. First gas is expected in FY29 at about 1.5 million cubic metres a day, rising to about 5.5 million by FY31–32. Management plans to look for a buyer about a year after production stabilises. Guidance excludes this business, so treat it as a possible bonus.

Balance sheet strengths: WEL has INR 17bn in cash, up from INR 4.7bn in FY22, and an AA credit rating from both CRISIL and ICRA. It has returned INR 6.0bn to shareholders through dividends and a buyback. Management says the stock is up 17x in six years. Money is now tied up for about 80 days between doing work and getting paid, up from 24 days in FY22. Debt-to-equity has doubled from 0.30 to 0.60, though it's still low. Much of this comes from the UP Jal Jeevan Mission project, where about INR 3bn is still owed. Management blames a change in the government's billing process rather than a lack of funds. It says the centre has sanctioned about INR 600bn for JJM this year, with only INR 60–70bn drawn so far, and that payments now roughly match what WEL spends each month.

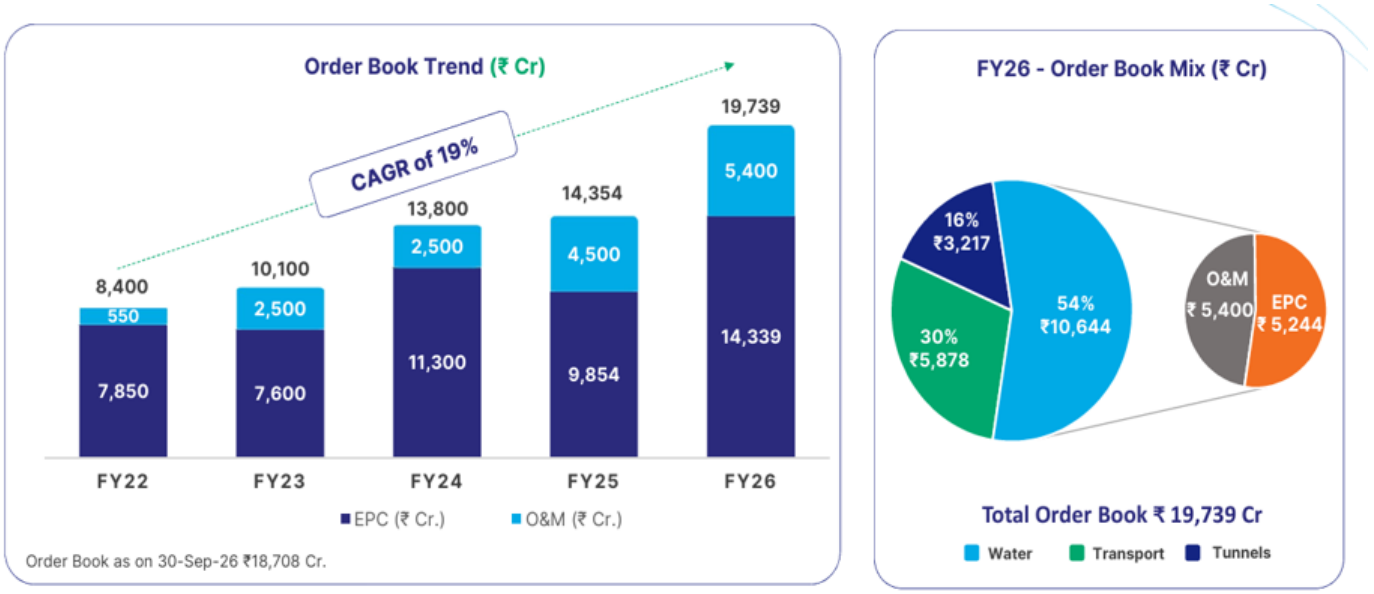
Medium-term guidance: Management expects the order book to grow about 20% a year and revenue about 15% a year. It also targets EBITDA margins above 18% and ROCE around 18%, while keeping strong cash levels and the AA rating. Margin guidance is below the 22.8% they just achieved, which could mean they're being conservative.

Exhibit 1: **Infrastructure Company With A Distinctive Edge**



Source: Company, PL

Exhibit 2: Order Book Trend



Strong Order Book leading to Revenue Visibility with Sustainable Margins

Source: Company, PL

Exhibit 3: Guidance v/s Achievement



* Book as on 30-Sep-26

Source: Company, PL

Exhibit 4: Medium term outlook



Source: Company, PL

Exhibit 5: Infrastructure Play Across Verticals



Source: Company, PL

Exhibit 6: **Welspun enterprise business summary**

INR mn	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Consolidated								
Opening Order Book	52,400	52,400	49,000	84,000	84,000	101,000	122,000	143,000
Closing Order Book	49,000	49,000	84,000	84,000	101,000	122,000	143,000	197,390
- Standalone					83,040	70,000	81,000	121,040
- O&M					17,960	36,000	44,000	53,300
- Michigan						16,000	18,000	23,050
Order Inflow	13,994	14,201	49,102	13,069	43,764	45,504	32,000	60,000
Book to bill x (excl O&M)			6.0	6.4	3.1	3.0	2.8	4.2
Standalone								
Revenue	17,394	17,601	14,102	13,069	26,764	24,504	28,274	25,949
Change yoy, %			(19.9)	(7.3)	104.8	(8.4)	15.4	(8.2)
EBITDA	1,823	2,063	1,689	1,442	2,366	3,366	3,482	3,794
EBITDA Margin %	10.5%	11.7%	12.0%	11.0%	8.8%	13.7%	12.3%	14.6%
Interest Cost	142	254	445	535	755	334	330	534
PAT	1,339	1,593	1,075	935	2,032	2,852	3,074	3,246
Change yoy, %			(32.6)	(13.0)	117.4	40.3	7.8	5.6
PAT Margin %			7.6%	7.2%	7.6%	11.6%	10.9%	12.5%
WC as a % of sales	11.6	3.9	19.2	41.7	22.1	33.6	22.0	27.9
Net debt (INR bn)					-12,968	-7,283	-10,610	-15,790
Net debt/ equity (x)					-0.5	-0.3	-0.4	-0.5
Capex (INR bn)	0.6	-0.8	0.1	0.1	-0.2	0.1	0.1	0.3
CFO (INR bn)	-0.3	1.6	3.4	2.2	0.3	-1.1	3.6	3.1
CFO/ EBITDA	-16%	76%	199%	154%	11%	-31%	103%	82%

Source: Company, PL

Exhibit 7: **Peer Valuation**

Stock		CMP (INR)	MCap (INR bn)	PER (x)			P/BV (x)			EV/EBITDA (x)		
				FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Va Tech	C	1853	116	24	20	18	3.9	3.3	2.8	17.3	14.2	12.5
Enviro Infra	C	166	29	13	11	11	2.0	1.7	1.5	8.6	7.2	6.7

Source: Company, PL

Exhibit 8: **Peer Financials**

Stock	Revenue Growth %			EBITDA Margin			PAT growth			ROE			CAGR FY26-29E		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	Revenue	EBITDA	PAT
VATW IN Equity	24%	17%	14%	13%	14%	14%	32%	21%	14%	17	17	17	18%	20%	22%
EIEL IN Equity	39%	29%	14%	20%	18%	17%	3%	21%	0%	16	16	15	27%	14%	8%

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Energy Solutions	BUY	1526	1220
2	Adani Power	BUY	259	183
3	Ahluwalia Contracts (India)	BUY	708	555
4	Ashoka Buildcon	BUY	130	102
5	CESC	BUY	195	130
6	Coal India	Accumulate	465	389
7	Dilip Buildcon	Accumulate	488	405
8	H.G. Infra Engineering	Accumulate	449	382
9	Indian Energy Exchange	HOLD	112	101
10	IRCON International	HOLD	114	107
11	JSW Energy	BUY	613	483
12	KNR Constructions	Accumulate	121	107
13	NCC	BUY	201	123
14	NTPC	BUY	421	316
15	PNC Infratech	BUY	234	134
16	Power Grid Corporation of India	BUY	321	260
17	PSP Projects	BUY	1061	742
18	Rail Vikas Nigam	SELL	153	196
19	RITES	BUY	265	197
20	Tata Power Company	Accumulate	414	360

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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