CMD's Address at the Annual General Meeting – FY 2025-26

Dear Shareholders,

The global water sector today stands at an important inflection point. More than 2.1 billion people still lack access to safe drinking water, over half of the world's wastewater remains untreated, and 3.4 billion people are without safely managed sanitation. At the same time, freshwater availability is declining even as demand continues to rise.

Water scarcity is therefore no longer merely a humanitarian or environmental concern; it has become an economic and strategic imperative. Governments, multilateral institutions and private investors are directing unprecedented capital towards strengthening water security. India is advancing large-scale drinking water and wastewater programmes, Saudi Arabia continues its transformational investments under Vision 2030, Africa is witnessing significant multilateral funding, while desalination, water reuse and resource recovery are gaining momentum globally.

Against this backdrop, WABAG's purpose has never been more relevant. For over a century, we have partnered with customers to address complex water challenges through technology, engineering excellence and deep domain expertise. As I have consistently maintained, "Water is too precious a resource to be used only once."

I am pleased to share that FY 2025-26 was another year of profitable growth and disciplined execution for WABAG. During the year, we recorded revenue of ₹3,944 crores, EBITDA of ₹524 crores and profit after tax of ₹371 crores, the highest ever results in our history. Our performance remained aligned with our medium-term outlook and reinforced our focus on profitable growth, healthy cash generation and superior returns.

Importantly, we maintained a net cash-positive position for the sixth consecutive year, reflecting the financial discipline embedded across our organisation and giving us the flexibility to pursue growth opportunities from a position of strength. Our order book crossed ₹17,200 crores, providing strong multi-year revenue visibility. Equally important is the quality of this order book, backed by robust payment security, technology-driven projects and a diversified portfolio of EPC and long-term O&M contracts across geographies.

Our credit rating was reaffirmed at IND AA- with a Stable Outlook and A1+ for short-term facilities, reflecting our strong balance sheet and prudent approach to risk.

In recognition of the Company's strong performance and our confidence in its long-term prospects, the Board has recommended, for shareholders' approval, a final dividend of ₹5 per equity share for FY 2025-26.

Our ability to participate in the growing global water opportunity is underpinned by capabilities built over a century. Today, WABAG is one of the world's leading pure-play water technology companies, with a presence across over 25 countries. Over the last three decades, we have delivered more than 1,500 water and wastewater treatment plants, supported by over 2,500 engineers and water professionals. Our asset-light business model, technology capabilities, prudent project selection and strong balance sheet enable us to pursue attractive opportunities while managing risks responsibly.

India continues to be one of our most important growth markets. Public investment, urbanisation and the increasing emphasis on wastewater treatment, reuse and resource recovery are creating sustained opportunities. Programmes such as Jal Jeevan Mission, AMRUT and Namami Gange continue to strengthen the sector's long-term outlook. We are also seeing growing opportunities in industrial water treatment across sectors such as oil & gas, power and petrochemicals. Desalination, tertiary treatment, recycling and water reuse are steadily becoming integral to India's long-term water security strategy.

The Middle East remains central to our international growth strategy. Water scarcity, population growth and ambitious infrastructure programmes across the GCC are driving sustained investment in desalination, wastewater treatment and reuse. The growing adoption of PPP models also complements our asset-light approach. Our established presence, desalination expertise and execution capabilities position us well to selectively capture these opportunities.

In Africa, governments, development agencies and multilateral institutions continue to invest in improving access to drinking water and sanitation. Our established presence enables us to pursue financing-supported and multilateral-backed projects aligned with our technical capabilities and disciplined risk framework.

Europe remains an important part of WABAG's technology and innovation ecosystem. Our R&D capabilities in India and Europe continue to advance technologies across desalination, water reuse, advanced treatment processes and digital solutions. Across Southeast Asia, Central Asia and other emerging markets, we will continue to expand selectively, strengthen local partnerships and remain close to our customers.

Our GLOCAL operating model, combining global technology and engineering expertise with strong local execution, gives us the resilience to navigate evolving geopolitical and market conditions.

A significant new opportunity is also emerging from the industries of tomorrow. Semiconductors, solar photovoltaic manufacturing, data centres, green hydrogen and AI-enabled infrastructure require sophisticated water treatment systems, particularly ultra-pure water, alongside greater reuse and resource efficiency. We have established dedicated teams focused on these emerging industries, and our industrial water and advanced process capabilities position WABAG well to participate in this next phase of growth.

Sustainability remains at the heart of everything we do. It is not an adjunct to our business—it is our purpose. Through water reuse, desalination, resource recovery and waste-to-wealth solutions, we help customers reduce their dependence on freshwater and transition towards circular water management. Our wastewater treatment plants also recover over 40 MW of green energy from biogas, demonstrating how wastewater can increasingly become a source of valuable resources. We also see a significant opportunity in Compressed Bio-Gas (CBG), where our extensive installed base of sewage treatment plants and expertise in sludge and biogas management position WABAG well to convert biogas generated from wastewater treatment into a valuable renewable energy resource, creating an additional avenue for circularity and sustainable growth.

Our continued success rests on three enduring strengths—Technology, Trust and Talent. Technology enables us to address increasingly complex water challenges. Trust has been built over decades through consistent execution, technical excellence and responsible business practices. And our people bring these strengths together through our culture of 'Passioneering'—where engineering excellence meets the passion to innovate. We will continue investing in our people, developing future leaders and fostering a culture of continuous learning.

Looking ahead, I believe the outlook for the global water sector is more promising than ever. Investments in water infrastructure are accelerating, while desalination, water reuse, resource recovery and emerging industries are opening new avenues for growth. With a healthy order book, robust balance sheet, deep technical expertise, disciplined execution and over a century of water leadership, WABAG is well positioned to capitalise on these opportunities.

Our priorities remain clear: to deliver technology-led, margin-accretive growth; deepen our presence in strategic markets; expand into emerging industrial sectors; maintain financial discipline; and create enduring value for all our stakeholders.

On behalf of the Board, I extend my sincere gratitude to our customers, suppliers, contractors, partners, bankers, employees, shareholders and all our stakeholders for their continued trust and support. Together, we will continue to shape a future where every drop of water is valued, every solution creates lasting impact, and every partnership contributes towards a more water-secure world.

Thank you. Jai Hind!