

About the Company

Welspun Corp Limited (WCL), established in 1995, is the flagship company of Welspun World and ranks among the top manufacturers of large-diameter line pipes globally. It is a diversified player offering Pipe Solutions (Line Pipes, DI Pipes, Stainless Steel) and Building Materials (TMT Rebars, Sintex Water Tanks, Plastic Pipes). With a total installed pipe manufacturing capacity of ~2.2 MMTPA and a consolidated order book of ~Rs 23,500 Cr as of Oct'25, the company operates state-of-the-art manufacturing facilities in Anjar, Bhopal, Mandya, and Jhagadia in India, alongside strategic international operations in Little Rock (USA) and Dammam (Saudi Arabia).

Investment Rationale

- **Robust Order Book Providing Revenue Visibility:** WCL's consolidated order book stands at a record high of ~Rs 23,500 Cr (as of Oct'25), offering clear revenue visibility for the next two years at US and for at least 1 year at ex-US operations. The line pipe order book of ~1.3 mt is evenly distributed between India and the US (~600 kt each), while the Ductile Iron (DI) pipe order book stands at ~355 kt. The US order book includes recent wins of ~\$715 Mn, securing mill bookings until FY28, while the India order book is supported by strong export demand and upcoming water infrastructure projects.
- **Strategic Dominance in US and KSA Markets:** The US operations are witnessing a structural shift with demand driven by LNG exports and power requirements for data centres, keeping the Little Rock mill fully booked until FY28. To capitalise on this, the company is expanding LSAW and HFIW capacities in the US. In Saudi Arabia (KSA), WCL is capitalising on Vision 2030 through its associate (EPIC) and is establishing wholly-owned greenfield LSAW and DI pipe facilities to cater to Aramco's \$10 Bn annual capex and massive water infrastructure projects.
- **Financial Prudence and Strong Return Ratios:** WCL has a significant capex plan of ~Rs 5,500 Cr over FY25-27. It has already incurred Rs 1,800 Cr in FY25 and H1FY26 cumulatively so far, and plans to spend the balance until FY28 through internal accruals. It managed to maintain its net cash position of Rs 11 Cr as of H1FY26 post Rs 950 Cr capex. (Net cash position of Rs 1,049 Cr as of Mar'25), highlighting strong free cash flow generation. Management remains confident of achieving its FY26 EBITDA guidance of Rs 2,200 Cr, having already delivered Rs 1,186 Cr in H1FY26. The company continues to focus on profitability, delivering an annualised ROCE of ~24% in H1FY26, with a strategic commitment to maintain ROCE above 20% consistently.

Valuation & Recommendation:

WCL is currently trading at 15x/8.4x 12MF consensus P/E and EV/EBITDA. As per our estimates, the stock is currently valued at 7.5x of FY28 EBITDA, which appears to be attractive. **Accordingly, we recommend a BUY on the stock with a target price of Rs 875/share, implying an upside of 10% from the CMP.**

Financial Summary (Consolidated)

Y/E March	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (X)	ROE (%)	ROCE (%)	EV/EBITDA (X)
FY25	13,978	1,668	1,902	73	11.7	26%	15%	13.0
FY26E	17,809	2,226	1,495	57	14.4	17%	17%	9.9
FY27E	19,672	2,557	1,685	64	12.8	16%	17%	8.5
FY28E	20,142	2,618	1,717	66	12.6	14%	15%	7.5

Duration: 3-6 Months

CMP (Rs) 796

Target Price (Rs) 875

Upside (%) 10%

| Why Welspun Corp Ltd

- ✓ **Largest Global Player in Line Pipes**
- ✓ **Growth from KSA, USA Data Centres, India Water and Exports**
- ✓ **Attractive Valuation**

| Key Risks

- ✓ **Delay in the Execution of Order Book**
- ✓ **Delays in Commissioning or Utilisation of New Capacities**
- ✓ **Trade Policy Changes Affecting Exports**

MARKET DATA

No. of Shares 26.3 Cr

Market Cap 20,969 Cr

52-week High / Low 995/666

BSE Code 532144

NSE Code WELCORP

Aditya Welekar

aditya.welekar@axissecurities.in

| OBJECTIVE



Axis Punch is designed to generate solid returns in the short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets a return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

| Axis PUNCH is a strong, research-based idea based on



Events-Based: Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyse changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

Strategic Insights: Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

Informed Decisions: Make well-informed investment decisions backed by the expertise of our dedicated research team.

Medium-term Horizon: Enjoy the medium-term investment strategy, perfectly suited for those looking to optimise returns over 3 to 6 months.

| Why to choose Axis PUNCH



These medium-term recommendations are crafted by the fundamental research team of Axis Securities, ensuring a rigorous analysis of developments around the company. Please note that Axis Punch recommendations may differ from our long-term company recommendations. Key investment rationale and risks are clearly highlighted in stock ideas.

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Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Paré, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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