AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

Va Tech Wabag Ltd **Target Price – ₹2,383 (UPSIDE: 19%)** **Date: 21st August 2026**

We initiate coverage on VA Tech Wabag Ltd with a BUY recommendation and a target price of 2,383 based on 30x FY27E EPS of ₹79.44. WABAG has established itself as a leading pure-play water technology company with a diversified presence across desalination, municipal water treatment, industrial wastewater and water reuse. Following a strong FY26 performance, the company is entering its next phase of growth supported by a sizeable and well-diversified order book, deepening presence in the Middle East and Africa, and an expanding footprint in high-growth industrial verticals such as semiconductors, solar PV manufacturing and green hydrogen. These developments, along with a rising share of long-duration O&M contracts and an asset-light execution model, are expected to strengthen revenue visibility and reinforce WABAG's positioning as a technology-first partner in the global water infrastructure space.

Investment Rationale

- A robust order book of ₹19,394 Cr provides over 4x revenue visibility, supported by strong Q1FY27 order intake of ₹3,431 crore.
- Well-diversified order book across Municipal (88%), Industrial (12%), EPC (66%), O&M (34%) and India (51%) / Overseas (49%) reduce business concentration risk.
- O&M revenue growth, coupled with its predictable, asset-light and margin-accretive nature, should drive a higher-quality revenue mix, with management targeting 20% of revenue from O&M over the next 2–3 years, supporting sustainable margins and cash flows.
- Consistent track record of profitable growth, with revenue, EBITDA and PAT registering a 3-year CAGR of 17.5%, 18% and 23% respectively (FY24-FY26), reflects operating leverage and margin discipline.
- Management has reiterated its medium-term guidance of 15–20% revenue CAGR, 13–15% EBITDA margin, RoCE above 20%, and RoE above 15%.
- Company has remained net cash positive for the 7th consecutive year, with net cash of ₹965 crore, reflecting disciplined working capital and debt management.
- Expanding international presence, particularly across the Middle East and Europe, is expected to support higher-margin growth and geographic diversification.
- Emerging opportunities in Ultra-Pure Water (UPW), Bio-CNG, desalination, water reuse and AI-enabled digital water solutions (Pani Energy) provide multiple long-term growth drivers.
- Blue Seed initiative to invest in emerging water-tech start-ups, with the first commitment to Bengaluru-based Nimble Vision (IoT-based water-infrastructure solutions), offers an early window into innovative technologies that could enhance WABAG's digital and product capabilities over the medium term.
- Strategic tie-up with Peak Sustainability Ventures to establish 100 CBG (compressed biogas) plants provides an entry into a new energy adjacency, with the first Bio-Gas Upgradation order already secured on a BOT model and mobilization activities underway, positioning the company for incremental volume growth in the medium term.
- Asset-light business model, backed by 125+ patents and in-house R&D centres in India and Europe, minimizes capital intensity while enabling superior return ratios and is expected to sustain this capital efficiency as the business scales.

Key Stock Data	
CMP (₹) (21.08.2026)	2003.30
Industry	Water Supply & Management
Market Cap (₹ in Crore)	12,482.87
52 Week High/Low (₹)	2,253 / 1,033
BSE Code	533269
Bloomberg	VATW:IN

Consolidated Financial Summary (in ₹ Crores/ Unless stated otherwise)

Particulars	FY24	FY25	FY26	FY27E
Rev. from operations	2,856	3,294	3,944	4,694
EBITDA	366	422	477	646
EBITDA Margin (%)	13.2%	12.8%	12.1%	13.8%
PAT	250	295	370	495
PATM (%)	8.8%	8.9%	9.4%	10.5%

Quarterly Consolidated Financial Summary (in ₹ Crores/ Unless stated otherwise)

Particulars	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Rev. from operations	734	834	961	1,414	887
EBITDA	96	89	122	156	80
EBITDA Margin (%)	13%	11%	13%	11%	9%
PAT	66	85	91	128	90
PATM (%)	9	10	9	9	10

Shareholding pattern

Particular	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Promoters (%)	19.12	19.10	19.10	19.09	19.08
FII (%)	18.69	18.40	18.97	16.60	18.25
DII (%)	3.66	4.47	4.32	5.77	6.33
Public (%)	58.51	58.04	57.62	58.54	56.33

Price Chart:

Source: Company, RHP, Screener, NSE

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

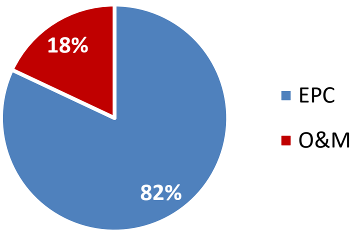
Business Overview

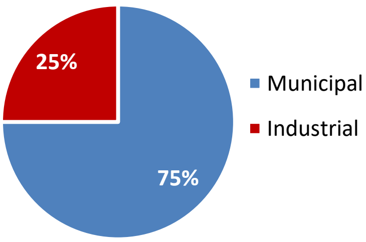
VA Tech Wabag Limited ('WABAG') is a 100-year-old, technology-first water and wastewater treatment company, and one of the world's top 3 private water operators and desalination plant suppliers (as per the Global Water Intelligence 2024 survey). Founded in 1924 in Wroclaw as WABAG Wasserfilterbau, the company took its current form as VA Tech Wabag Ltd in Chennai in 1996 and has been listed on the NSE and BSE since 2010. WABAG celebrated its centenary in 2024 and achieved its highest-ever market capitalization the same year.

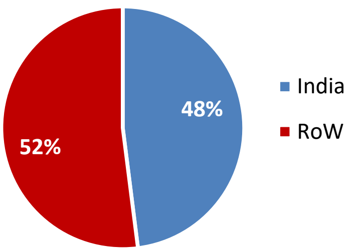
Key Metric	Value
Countries of presence	25+
Plants executed since 1995	1,500+
Employees ('Wabagites')	2,000+
In-house IPRs / patents	125+
Lives touched globally	96+ million
Credit rating	AA-/Stable (long-term), A1+ (short-term)
Order book (as of Q1FY27 end)	₹19,394 Cr

Source: Company filings

REVENUE BREAKUP







WABAG designs, builds and operates water and wastewater treatment plants for both government (municipal) and industrial customers. Its core areas of work include:

- Drinking Water Treatment
- Desalination- turning seawater into drinking or industrial-grade water
- Municipal water supply and sewage treatment
- Water recycling and reuse
- Industrial effluent treatment and Zero Liquid Discharge (ZLD) systems
- Sludge treatment and energy recovery from waste.
- High Purity Water Solutions

WABAG offers its customers flexibility in how projects are structured and paid for it can simply supply equipment and engineering (EP), build and hand over a full plant (EPC), design-build-operate (DBO) or take on longer-term arrangements such as Build-Own-Operate-Transfer (BOOT), Hybrid Annuity Model (HAM), Public-Private Partnership (PPP) or long-term Operations & Maintenance (O&M) contracts. This 'one-stop-shop' approach covering design, procurement, construction, installation, commissioning and ongoing operations is a key part of its pitch to large government and industrial clients.

As of Q1FY27, WABAG operated through 17 subsidiaries, associates and joint venture entities across India, Europe, the Middle East and Asia. During FY26, the company incorporated Ghaziabad Bioenergy Pvt. Ltd. (51:49 JV), expanding its presence in the bioenergy segment.

Revenue Breakup (Q1FY27)

By Business Offering & Customer Segment (₹ Cr)

	Municipal	Industrial	Total
EPC	529	197	726
O&M	134	25	159
Grand Total	**663**	**222**	**885**

Source: Company filings

By Geography (₹ Cr)

Grand Total	885
Overseas	464
India	421

Source: Company filings

Revenue stood at ₹8.85bn in Q1FY27, led by strong 27% growth in EPC revenue to ₹7.3bn, while O&M revenue grew 7% to ₹1.6bn. EPC contributed 82% and O&M 18% of total revenue. Municipal projects accounted for 75% of revenue, while industrial projects contributed 25%. Geographically, overseas revenue increased its contribution to 52%, driven by strong execution across international projects.

Key Clients

WABAG caters to a diversified client base comprising municipal authorities, industrial enterprises, and infrastructure developers across sectors such as water & wastewater, oil & gas, power, steel, food & beverages, fertilizers, and industrial parks. The company also collaborates with international development-finance institutions to execute and fund large-scale public water infrastructure projects.

Municipal clients	Industrial clients	Funding / multilateral partners
Delhi Jal Board, Chennai Metropolitan Water Supply & Sewerage Board (CMWSSB), Bangalore Water Supply & Sewerage Board, Uttar Pradesh Jal Nigam, Bihar Urban Infrastructure Development Corporation, Kathmandu Upatyaka Khanepani (Nepal), Manila Water and Maynilad (Philippines), Saudi Water Authority, Qatar's national water agency, Singapore's PUB, and the Kingdom of Bahrain's Ministry of Housing, among others	Bharat Petroleum, Reliance Industries, GAIL (India), NMDC, Bapco Refining, Indian Oil, MRPL, CPCL, Nayara Energy, HMEL, INDOSOL, PETRONAS, SIBUR, Dangote and Marafiq.	World Bank, Asian Development Bank (ADB), India Exim Bank, KfW (Germany), JICA (Japan), European Investment Bank, AIIB, and India's Namami Gange programme.

Source: Company filings

Order Book and Key Projects

Order Book – Q1FY27

Particulars	₹ Crs.
Opening Order Backlog Q1FY27	16,624
Order Intake during Q1FY27	3,431
Revenue Recognised during Q1FY27	885
Closing Order Backlog Q1FY27	**19,394**

Source: Company filings

WABAG's order book reached a historic high of ₹19,400 crore at the end of Q1 FY27, up from ₹17,235 crore at the end of FY26, providing over four times revenue visibility at the current execution pace and underpinning strong earnings visibility over the coming years. During Q1FY27, the company secured more than ₹3,400 crore of new orders, led by significant wins across Kuwait, the UAE, India and Europe, reflecting healthy demand across its key markets. The backlog remains well diversified, with 66% EPC and 34% O&M and is evenly balanced between domestic and international markets. Management also highlighted a healthy opportunity pipeline across desalination, wastewater treatment, reuse and industrial water projects, which is expected to support continued order inflows and sustained revenue visibility over the medium term.

Order Intake Breakup – Q1FY27

By Business Offering & Customer Segment (₹ Cr)

	Municipal	Industrial	Total
EPC	2957	8	2965
O&M	466	0	466
Grand Total	**3423**	**8**	**3431**

Source: Company filings

By Geography (₹ Cr)

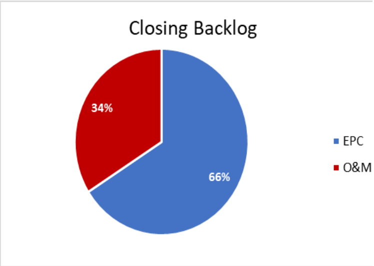
Grand Total	3431
Overseas	2641
India	790

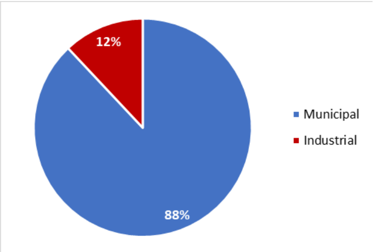
Source: Company filings

Q1FY27 order intake remained strongly skewed towards international markets, with 77% of new orders coming from overseas markets and 23% from India. The mix was led by EPC, which accounted for 86% of order intake, while O&M contributed 14%, reflecting continued strong execution visibility alongside a growing annuity-oriented O&M portfolio.

Closing backlog – Q1FY27

By Business Offering & Customer Segment (₹ Cr)

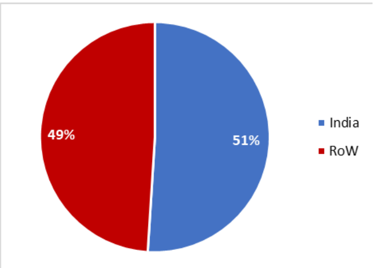




	Municipal	Industrial	Total
EPC	11432	1296	12728
O&M	5648	1018	6666
Grand Total	**17080**	**2314**	**19394**

Source: Company filings

By Geography (₹ Cr)



Grand Total	19394
India	9979
Overseas	9416

Source: Company filings

With O&M accounting for 34% of the Q1FY27 order backlog versus 18% of revenue, WABAG is steadily increasing its exposure to recurring, annuity-like revenues. The higher O&M backlog provides strong long-term revenue visibility, while the asset-light, margin-accretive and cash-accretive nature of the segment is expected to support earnings quality and cash-flow stability.

Key Projects in the Order Book

Project	Nature	Classification
300 MLD SWA, Yanbu Al-Bahr, KSA	Desalination	Mega
400 MLD Perur, Chennai	Desalination	Mega
CMWSSB -Chennai Ring Main System	Looped Water Grid	Mega
BWSSB, Bengaluru –WWTP	DBO	Large
Al Madina Al Shamaliya (AMAS), Bahrain -STP	O&M	Medium
100 MLD Indosol, Andhra Pradesh	Desalination	Major
CMWSSB — 45 MLD TTRO Plant, Chennai	Water Reuse (RFOMT)	Mega
54+19 MLD Lusaka Water Supply & Sanitation Co.	Wastewater Treatment	Major
UPJN — O&M of Agra & Ghaziabad	One-City-One-Operator	Mega
200 MLD Al Haer ESC, KSA	Sewage Treatment	Mega
Water Block Package, BPCL, Madhya Pradesh	RWTP/RODM P/ZLD	Large
MEWRE, Doha, Kuwait	Desalination	Mega
86 MLD WTP, Vienna, Austria	EPC	Large
17MGD WWTP, Mitraon, Delhi, India	EPC	Medium
60 MLD STP at Ajman, UAE	DB	Large
100 MLD STP & 25 MLD TTP, Byramangala,	DBO	Large

Source: Company filings

On 1st July 2026, WABAG secured a large international order valued at USD 30–75 million from the City of Vienna, Austria, for the expansion of the Donauinsel Water Works. The project covers the complete technology package, including process engineering, electrical engineering, instrumentation & control, and building services, with commissioning targeted for 2030. The order further strengthens WABAG's presence in the European municipal water infrastructure market and enhances its long-term international order visibility.

Order Conversion

WABAG has converted its Kuwait opportunity into a ‘Mega’ 60 MIGD SWRO desalination order from MEWRE, marking its entry into Kuwait. In Saudi Arabia, the company continues to see strong growth opportunities, with the Hadda ISTP project remaining an important opportunity; management stated that it remains engaged with the client and sees continued project activity in the market. The Q1FY27 order backlog also includes the 200 MLD Al Haer ISTP project in Saudi Arabia, highlighting the company's strong positioning in the region.

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

Future Growth Drivers

Economy Water Demand WABAG is well positioned to benefit from rising water infrastructure investments across emerging industries such as semiconductors, solar PV manufacturing, AI data centres and green hydrogen. These sectors require advanced water treatment solutions, including Ultra-Pure Water (UPW), Effluent Treatment Plants (ETP) and Zero Liquid Discharge (ZLD) systems. With proven execution capabilities and an integrated technology portfolio, the company is well placed to capitalize on this structural demand, creating a new long-term growth avenue beyond its traditional municipal and industrial water businesses.

Biogas to Compressed Biogas (CBG) WABAG is strengthening its presence in the Compressed Biogas (CBG) value chain through its 51:49 joint venture with PEAK Sustainability Partners LLP, Ghaziabad Bioenergy Pvt. Ltd., established in February 2026. The partnership aims to develop up to 100 CBG plants, leveraging WABAG's expertise in biogas upgradation and waste-to-energy solutions. In May 2026, the JV secured its first Bio-CNG project in Ghaziabad, Uttar Pradesh, involving the development of a 70 MLD Sewage Treatment Plant (STP) under the BOT model, along with a 15-year O&M contract. The initiative provides WABAG with a scalable platform to expand its clean energy portfolio, diversify revenue streams through long-term annuity income, and strengthen its presence in the circular economy.

Blue Seed – Investing in Water-Tech Innovation WABAG has launched 'Blue Seed', a strategic initiative to invest in early-stage water technology startups and accelerate innovation across the water value chain. The company has made its first investment in Nimble Vision, an IoT-based smart water infrastructure solutions provider, and is evaluating additional investments in emerging water-tech companies. This initiative is expected to strengthen WABAG's digital capabilities, enhance its technology portfolio and support the development of next-generation smart water solutions over the long term.

Digitalisation & AI-Enabled Water Management WABAG is increasingly integrating Artificial Intelligence (AI), Machine Learning (ML) and digital operational intelligence into its water treatment solutions to enhance plant efficiency, optimise chemical and energy consumption, and enable predictive maintenance. The company has deployed AI-enabled platforms across key projects, including its partnership with Pani Energy, where the operational intelligence solution at the Coimbatore plant has delivered measurable reductions in chemical consumption and improved water utilisation efficiency. Encouraged by these results, management is evaluating the rollout of similar AI-driven solutions across additional plants in India and the Middle East. As utilities increasingly adopt smart water management solutions, digitalisation is expected to strengthen WABAG's technology differentiation, improve customer stickiness, and create higher-value recurring service opportunities.

Geographic Expansion to Drive Long-Term Growth WABAG is expanding its international footprint across GCC, Africa and Central Asia by entering high-potential markets such as the UAE, Kuwait, Jordan, Morocco, Uzbekistan and Kazakhstan under its 'Go Global, Think Local' strategy. The company expects infrastructure investments driven by initiatives such as Saudi Vision 2030, Oman Vision 2040, and Morocco's FIFA World Cup-related development to create significant opportunities for municipal water and desalination projects. With an established presence in the CIS region and an expanding international business development team, it is well positioned to strengthen its global order pipeline and diversify its geographic revenue mix.

Growing O&M Business to Enhance Revenue Visibility WABAG continues to expand its Operations & Maintenance (O&M) portfolio, which management views as a key long-term growth driver. The company is increasingly securing 15–25-year O&M contracts, providing stable, recurring and annuity-like revenue streams with higher earnings visibility and stronger customer retention. The growing contribution of O&M is expected to improve the business mix, enhance cash flow stability and support margin expansion over the medium to long term.

Manufactured Water – A Structural Growth Theme WABAG's 'Manufactured Water' strategy is centred on expanding climate-resilient water sources through desalination and wastewater reuse, addressing the growing challenge of water scarcity. Management highlighted that manufactured water remains highly economical, with the cost of desalinated water at ₹0.08 per litre and treated/recycled water at ₹0.05–0.06 per litre, making it a cost-effective alternative for industrial and municipal applications. The company also follows a modular plant design approach, which is expected to improve execution efficiency, reduce project timelines and enhance scalability across future desalination and water reuse projects.

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

Financial Performance

The company has delivered a strong and consistent financial performance over the last three years, with revenue, EBITDA, and PAT registering CAGRs of 17.5%, 18%, and 23%, respectively, between FY24 and FY26. Revenue grew from ₹2,856 crore in FY24 to ₹3,944 crore in FY26, while PAT increased from ₹246 crore to ₹371 crore over the same period. EPS also improved steadily from ₹39.5 to ₹59.5, reflecting sustained value creation for shareholders.

Q1FY27 Financial Highlights

The company reported a strong Q1FY27 performance, with consolidated revenue increasing 20.8% YoY to ₹887 crore, driven by healthy execution across EPC, international, industrial and O&M projects. EBITDA grew 21.7% YoY to ₹116 crore, with EBITDA margin improving to 13.1% from 13.0% in Q1FY26. PAT increased 36.9% YoY to ₹90 crore, with PAT margin improving to 10.2%, reflecting healthy operating performance and improved profitability. RoCE and RoE remained healthy at 19.6% and 16%, respectively. The company maintained a strong balance sheet with net cash of ₹965 crore and remained net cash positive for the seventh consecutive year, reflecting sustained cash generation and disciplined financial management.

Q1FY27 Earnings Call Highlights

- Order intake stood at >₹3,400 crore in Q1 FY27, with 77% from international markets. Order book reached a record ₹19,400 crore, over 4x the revenue base, comprising 66% EPC and 34% O&M and broadly balanced between India and international markets.
- MEA continues to witness strong demand for desalination, wastewater treatment, reuse and industrial water. Management indicated a bid pipeline of $2–3 billion across Middle East and Africa, while the India pipeline stands at $1–1.5 billion, with projects typically taking 12–18 months to fructify.
- GCC expansion is gaining traction as WABAG secured its maiden Kuwait project—a 60 MIGD SWRO desalination plant—and won the third phase of the 60 MLD Ajman STP in UAE. The Kuwait project also includes an O&M component, supporting WABAG's strategy of building long-term, asset-light recurring revenue.
- Management stated that there has been no material impact from recent geopolitical developments on projects, operations or underlying demand. Projects are located away from strike zones, while contractual provisions allow the company to address potential price increases and delays arising from force-majeure events.
- Management aims to increase the industrial segment's mix to 20–25% over time from the current 12–13%. Traditional industrial opportunities remain concentrated in oil & gas, while data centres, semiconductors, solar, hydrogen and other new-energy applications are expected to become meaningful over the next 3–7 years.
- O&M revenue grew 7% YoY in Q1, with growth expected to accelerate as projects move from construction phase to operations phase. Management highlighted O&M as a predictable, asset-light, margin-accretive and cash-accretive business and expects the mix to rise to 20% of revenue over the next 2–3 years.
- Net working capital stood at 108 days in Q1, with management comfortable maintaining it within the 100–110-day range despite 15–20% growth. Higher international exposure is expected to further improve working-capital quality given better payment terms and contractual administration overseas.
- WABAG remained net-cash positive for the 14th consecutive quarter, with net cash of ₹965 crore excluding HAM, while ROCE and ROE stood at 19.6% and 16%, respectively.
- WABAG has 125+ IP rights and focuses on advanced technology-led projects rather than conventional EPC work. Its technology portfolio, four-decade presence in the Middle East, 7,000 plants executed and lower-cost engineering base provide an advantage in international markets.
- The Perur desalination project in Chennai is 75%+ complete, with 1 lakh cubic metres of concreting completed and marine works substantially finished; commissioning is expected over the coming quarters.

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

Management Guidance

- Management reiterated its 15–20% revenue growth guidance and indicated confidence in achieving the higher end of its guidance, supported by the strong order book and execution pipeline.
- The medium-term EBITDA margin outlook remains 13% to 15%, with an endeavor to grow towards 15%, though the current year is expected to be in the 13% to 14% range.
- Management aims to maintain net working capital days in the 100 to 110 range, with an ongoing effort to reduce it further.
- The long-term objective is to increase the industrial order mix to approximately 20% to 25% of the total order book.
- Management continues to target O&M contributing around 20% of total revenue over the medium term, which is expected to improve recurring revenues and earnings visibility.
- The company reiterated its long-term return targets of RoCE above 20% and RoE above 15%, while maintaining a net cash positive balance sheet through its asset-light business model..

Global Water Industry Outlook

The global water industry is entering a multi-decade investment cycle driven by three structural trends: rising water scarcity, increasing infrastructure spending, and growing demand from water-intensive industries. Over 2 billion people still lack access to safe drinking water, while only 37% of global sewage is treated safely and 3.4 billion people lack safely managed sanitation creating significant environmental and economic challenges including factory shutdowns and 7% decline in freshwater availability every decade.
In response, governments and development institutions are committing substantial capital, with major initiatives such as India’s Jal Jeevan Mission 2.0 (₹8.69 lakh crore), Saudi Arabia’s Vision 2030 water investments ($38–42 billion), and increasing funding from multilateral agencies for water projects across emerging markets. Globally, water-focused investment funds have grown 60% since 2020 to about $94 billion, and the global desalination market is expected to grow from $18 billion to $30 billion by 2031.
At the same time, industries such as semiconductors (10 million gallons of ultra-pure water a day), data centres (3–5 million gallons a day just for cooling), solar manufacturing and green hydrogen are driving strong demand for high-quality water and advanced treatment solutions. These trends are expected to support long-term growth in desalination, wastewater recycling, and water infrastructure investments globally.
The company estimates the addressable market across its core geographies—India, the Middle East, Africa, South-East Asia, SAARC, and CIS countries—at approximately $75–100 billion over the next 5–7 years. Of this, EPC work would make up $68–87 billion, while O&M contracts would make up a smaller but steadily growing $7–13 billion.

Segment	5–7 Year Market Size	% of Total
Desalination	$29.5 Bn	38%
Municipal & Reuse	$30.0 Bn	39%
Industrial	$10.5 Bn	14%
Future Energy (Solar/Semicon/Green H2/Data Centres)	$6.5 Bn	9%

Source: Company filings

Domestic (India) Market Outlook

India remains one of the largest and most under-penetrated water markets in the world. Only around 28% of India's roughly 72,368 million litres/day (MLD) of sewage is currently treated, leaving a gap of about 52,133 MLD — a shortfall that will require decades of capital investment to close. India's water treatment technology market is estimated to grow from $2.98 billion in 2025 to $5.17 billion by 2031 (9.6% CAGR).

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

Key growth drivers in India include:

• Jal Jeevan Mission 2.0 (₹8.69 lakh crore) — the world's largest drinking-water programme
• AMRUT 2.0 (₹2.99 lakh crore) for urban water and sanitation infrastructure
• Namami Gange II (₹3,100 crore in FY27) for cleaning the Ganga river
• India's target of 130 GW of solar capacity by 2030 and a growing Green Hydrogen mission, both of which need large volumes of ultra-pure water
• Industrial capex from oil & gas majors (BPCL, ONGC and others) expanding refining capacity, and CPCB's Zero Liquid Discharge (ZLD) norms now covering 22 sectors.

The company estimates India's own addressable market at $20–25 billion over 5–7 years, growing at roughly 10% a year. The SAARC region (Nepal, Sri Lanka, Bangladesh, Maldives) adds a further $5–10 billion opportunity, largely funded through India Exim Bank credit lines that favour Indian EPC players like WABAG.

Middle East & Africa — A 10-Year, $70–80 Billion Opportunity

Outside India, the Gulf Cooperation Council (GCC) region and Africa together represent a combined 10-year addressable market of $70–80 billion for EPC and O&M work.

Region	10-Year Market Size	Growth Rate	Key Drivers
GCC (Saudi, UAE, Qatar, Oman, Kuwait)	$40–50 Bn	~14% CAGR	Saudi Vision 2030 (>$10 Bn water infra), thermal-to-SWRO desalination shift, 90% wastewater reuse target
Africa	$30+ Bn	~5–7% CAGR	AfDB funding of $2.8 Bn/year, Algeria's $5.4 Bn desalination programme, 411 Mn Africans still lack safe drinking water

Source: Company filings

The global water industry is supported by strong structural tailwinds, including rising water scarcity, increasing infrastructure investments, and favourable government policies. With over 100 years of experience, a strong desalination portfolio, and proven O&M capabilities across global markets, WABAG is well positioned to capitalize on these opportunities while benefiting from the resilient, non-discretionary nature of the water sector.

Key risks

- Exposure to international markets, particularly the Middle East, increases vulnerability to geopolitical uncertainties and policy changes, with overseas business contributing 52% share of revenue.
- Delays in tender issuance, project approvals, or payments under government water infrastructure programs (JJM 2.0, AMRUT 2.0) could impact order inflows and cash flows.
- Fluctuations in foreign exchange rates and raw material prices may adversely affect project profitability and margins.
- Intensifying competition from global and regional water infrastructure players could exert pressure on pricing and market share.
- Longer-than-expected contract award timelines for large projects may lead to delays in order booking and revenue visibility.

Board of Directors & Management Overview

Name	Designation	Description
Mr. Rajiv Mittal	Chairman and Managing Director	A Chemical Engineering graduate from UDCT, Mumbai, with over three decades of experience in the global water and wastewater treatment industry, he has been instrumental in WABAG's transformation into a leading Indian multinational with operations across 20+ countries. He led the management buyout in 2005, the acquisition of the global WABAG business in 2007, and the company's listing in 2010. He is widely recognized for his focus on sustainable water management and advanced treatment technologies. He has received several industry accolades, including recognition among the world's most influential water leaders and the Lifetime Achievement Award from the Indian Desalination Association.
Mr. S. Varadarajan	Director and Chief Growth Officer	He has been with the company since 1997. He has held key leadership roles, including CFO, and played an important role in the management buyout, reverse acquisition, stock exchange listing, and development of the company's strategic business units. A promoter of the company, he holds degrees in Commerce and Public Administration and is a member of CMA and ICSI. He has also received the CFO-100 Award multiple times for his leadership in finance and business growth.
Mr. Skandaprasad Seetharaman	Chief Financial Officer	He has played a key role in strengthening the company's financial position since joining in 2021. He oversees global finance operations, capital allocation, and profitability, and has helped WABAG achieve a net-cash-positive balance sheet and strong order book growth. He previously served as Group Financial Controller at WABAG and has experience with Siemens Gamesa, Vestas, Deloitte, and Wipro. He is also a recognized finance professional and recipient of the CFO100 Award.
Mr. Shailesh Kumar	CEO – India Cluster	He has over 30 years of experience in EPC project execution across water, power, oil & gas, and infrastructure. Since joining WABAG in 2022, he has led the company's largest business cluster with full P&L responsibility. He has also held senior roles at McDermott, FLSmidth, Technip FMC, Tata Power Delhi Distribution Ltd., and BSES, and holds a B.Tech (Hons.) in Civil Engineering from NIT Kurukshetra and an M.Tech in Structural Engineering from IIT Delhi.

Peer Comparison

Name	Market cap (₹ Cr)	Face value (₹)	Revenue FY26 (₹ Cr)	EBITDA Margin (%)	PAT Margin (%)	EV / EBITDA (x)	D/E	ROE (%)	P/E (x)
Va Tech Wabag Ltd	12,482.87	2.00	887	9.01	10.15	20	0.09	15.9	31.3
Peer companies:									
Ion Exchange (India) Ltd	5,395.86	1.00	700	4.53	0.44	22.1	0.36	12.1	49.1
Enviro Infra Engineers Ltd	3,419.32	10.00	359	21.16	12.5	10.9	0.34	17.0	18.6
Thermax Ltd	47,129.89	2.00	2,303	2.99	0.96	43.2	0.42	10.6	85.6

Source: Screener, NSE

Disclosure under SEBI Research Analyst Regulations 2014:

Sr.no.	Particulars	Yes/No
1)	Research Analyst or his/her relative's or Ajcon Global Services Limited financial interest in the subject company(ies):	No
2)	Research Analyst or his/her relative or Ajcon Global Services Limited actual/beneficial ownership of 1% or more securities of the subject company (ies) at the end of the month immediately preceding the date of publication of the Research report	No
3)	Research Analyst or his/her relative or Ajcon Global Services Limited has any other material conflict of interest at the time of publication of the Research Report	No
4)	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5)	Ajcon Global Services Limited has received any compensation from the subject company in the past twelve months	No
6)	Ajcon Global Services Limited has received any compensation for investment banking, or merchant banking, or brokerage services from the subject company in the past twelve months	No
7)	Ajcon Global Services Limited has received any compensation for products or services other than investment banking,or merchant banking, or brokerage services from the subject company in the past twelve months	No
8)	Ajcon Global Services Limited has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9)	Ajcon Global Services Limited has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10)	Research Analyst or Ajcon Global Services Limited has been engaged in market making activity for the subject company(ies)	No

Recommendation parameters for fundamental reports:

Buy – Absolute return of 15% and above
Accumulate – Absolute return between 10% and 15%
Hold - Absolute return between 0% to 10%
Book profits: On achieving the price target given in the research report for a particular Company or on a occurrence of a specific event leading to change in fundamentals of the Company recommended

Disclaimer

Ajcon Global Services Limited is a fully integrated investment banking, merchant banking, corporate advisory, stock broking, commodity and currency broking. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above paragraph, We and our affliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice.The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

may prevent Ajcon Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward- looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.

It is confirmed that Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, Akhilesh Desai, research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. I also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

AKHILESH RAJENDRA DESAI

Digitally signed by AKHILESH RAJENDRA DESAI
Date: 2026.08.23 01:27:34 +05'30'

For research related queries contact:
Akhilesh Desai at research@ajcon.net, CIN: L74140MH1986PLC041941
SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014. Website: www.ajcononline.com
Registered and Corporate office: 408 - (4th Floor), Express Zone, “A” Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel’s, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062