WPIL Limited

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs376	Rs450	20%	367	Accumulate

**as on 02nd Nov, 2026*

About the Company:

WPIL, formerly known as Worthington Pump India Ltd was incorporated in 1952 by Johnston Pump Company Inc., USA; and is engaged in manufacturing and sale of different types of pumps, spares & accessories and execution of water supply projects on a turnkey basis for industrial units, power utilities, irrigation departments, etc. In 2002, Mr. Prakash Agarwal of Kolkata acquired controlling stake in the company from B. M. Khaitan group. Since 2011, WPIL is engaged in the entire value chain of pumps & pumping systems from concept to commissioning and execution of water supply projects on a turnkey basis for industrial units, power utilities, irrigation departments, etc. The clients include irrigation departments of various states like Telangana, Madhya Pradesh, central utilities, large PSUs, and various private sector entities. The product division supplies a comprehensive range of pumps to the municipal, industrial, and irrigation sectors. The project division undertakes water management contracts in the above sectors. WPIL has expanded its operation in the international market by acquiring pump companies in different regions of the world. Mr. Prakash Agarwal is the Managing Director of the company.

Results: Quick Glance:

- The net sales reported a drop of 16.8% to Rs3,543mn as compared to Rs4,260mn in the same quarter last year
- The Ebitda margins for the quarter stood at 13.3% as compared to 18.9% in the comparative quarter last year
- The company reported profit of Rs336mn as compared to Rs518mn in the same quarter last year
- The EPS for the quarter stood at Rs2.27 as compared to Rs4.20 in the corresponding period of last year
- On the segmental performance, the pumps and accessories segment reported a drop of 14.7% while projects segment reported a drop of 19.9% growth on a y-o-y basis
- For H1FY27, the revenues came in at Rs8549mn as compared to Rs8046mn; growth of 6.2% while the PAT stood at Rs927mn as against Rs776mn. The EPS came in at Rs5.74 as against Rs6.49 in H1FY26

Conference Call Highlights:

- For H1FY27, revenue split by geography stood as: India at 27%, South Africa at 38%, Australia at 6% and Italy at 29%
- The Management has indicated that the revenue was missed on deferrals, and not demand destruction. The drop in revenues to Rs3543mn (from the typical Rs4500-5000mn run-rate) was because dispatches were postponed, partly due to heavy September monsoons, and domestic project execution stayed subdued. The drop in margins was due to lack of operating leverage, not structure; as lower revenue flowed through the cost base, but gross margins remain healthy and Management is confident of exiting the year in the 17-18% range
- The **domestic** revenues for H1FY27, stood at Rs2,330mn compared to Rs3,570mn; drop of 34.7% y-o-y; faced near term execution challenges particularly in the project division. Recovery is however expected in H2FY27 as the order backlog (Rs24,230mn) continues to be robust. The project division remains focused on project commissioning, with revenue improvement expected in H2. On the other hand, **international** business reported growth of 38% y-o-y at Rs6,260mn for H1; supported by healthy product and project pipelines while it was stable for the quarter. PCI Africa execution is expected to pick-up starting 2027. The international order book stands at Rs27bn. The international business continues to benefit from a healthy order pipeline across the product and project platforms
- In terms of the **products** division, on the domestic front, the quarter performance was impacted (revenues declined from Rs617mn compared to Rs864mn in Q2FY26) by deferment of a large number of dispatches at clients' end. There has been increase in the order book by Rs5bn. Backed by the strong order backlog and deferred Q2 dispatches, Management expects H2 performance to improve and is targeting domestic product revenue above FY26 levels
- Management expects placements of a large number of thermal power plant orders and sees potential for WPIL to capture a meaningful share of this opportunity. Further, significant domestic demand for pumps is chalked, although fiscal constraints on government infrastructure spending are delaying order conversion rather than impacting underlying demand. With regard to the international side, **Gruppo Aturia** is expecting a large order from Kuwait Water Supply which would further strengthen its position in the international water market. However, Management highlighted that geopolitical uncertainty in the Middle East continues to delay contract finalization and some dispatches. The **Australian** business consolidation sees improvement in margin profile. **WPIL Thailand** sees growth visibility from introduction of new products in the Thai drainage sector. The products revenue (Rs2,116mn) came in at Rs617mn from domestic and the remaining Rs1499mn form the international markets. The product order backlog (Rs10,303mn) is split as 52.1% international and 47.9% domestic as of H1FY27

Conference Call Highlights (contd.):

- For the **projects** division, on the domestic front, business was subdued (revenue dropped to Rs565mn from Rs895mn on comparative basis) with focus maintained on project commissioning and starting O&M works
- West Bengal fund release is the key trigger for execution recovery; the Management expects domestic project execution to accelerate once pending JJM payments are received; around 50-60% of the ~Rs14bn executable domestic project backlog is exposed to West Bengal. O&M revenues are starting to pick-up (backlog of Rs5.5bn) and are expected to further accelerate in H2 as more projects are commissioned
- In terms of the international projects, it continues to benefit from opportunities across the MENA region, Australia, and Southeast Asia. **MISA Italy** has completed all legacy projects successfully and has booked important orders in this quarter, providing a stronger foundation for future growth Africa has commenced execution of new projects which are expected to gain further momentum towards the end of the financial year. **PCI Africa** new projects have started and are expected to gain further momentum by end of the year. **Eigenbau** strengthened its order book with a repeat order from Riverton Water Works. South Africa carries an order backlog of Rs24bn across products and projects, with projects being the larger component; most projects carry 48-month execution periods, with the second year typically the strongest for revenue recognition. The projects revenue (Rs1,427mn) contribution stood at Rs862mn form international and Rs565mn from the domestic markets. The order backlog (Rs40,786mn) split stood at 52.7% international and 47.3% domestic as of H1

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	**Sept-26**	**Sept-25**	**y-o-y**	**Jun-26**	**q-o-q**	**H1FY27**	**H1FY26**	**y-o-y**	**FY27E**
Total Revenue	3543	4260	(16.8%)	5005	(29.2%)	8549	8046	6.2%	18236
EBITDA	472	804	(41.2%)	753	(37.3%)	1225	1296	(5.4%)	3137
Other Income	107	131	(18.7%)	119	(10.5%)	226	220	2.6%	478
Interest	97	130	(25.8%)	85	13.4%	182	244	(25.6%)	452
Depreciation	107	99	7.7%	106	0.3%	213	192	10.7%	452
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	75	197	(61.7%)	203	(62.8%)	278	343	(19.0%)	813
Share of JV/Asso.	36	9	-	112	(67.8%)	149	40	-	192
Net Profit	**336**	**518**	**(35.1%)**	**590**	**(43.0%)**	**927**	**776**	**19.5%**	**1705**

Outlook and Recommendations:

On consolidated basis, revenues for the quarter reported drop of 16.8% y-o-y at Rs3543mn for the quarter under reference. The Ebitda margins came in at 13.3% translating into profits lower by 35.1% y-o-y. On the margins, the Management indicated that gross margins remained healthy, with Q2 Ebitda margins volatility primarily owing to lower revenue/operating leverage and product dispatch deferments rather than structural pricing or raw-material pressure. It has reiterated its broader 15-20% Ebitda margin band, with target of ~17-18%, supported by revenue recovery and a strong underlying margin profile. Domestic revenue declined 28.6% y-o-y to Rs617mn, impacted by dispatch deferments amid heavy monsoons; Management expects dispatches to normalize in H2FY27. International revenue declined 7.2% y-o-y to Rs1.5bn. The products revenue came in at Rs2.1bn (lower by 14.7% y-o-y) while projects at Rs1.4bn (lower by 19.9% y-o-y). The subdued performance in the products division was due to deferral of large orders which is expected to normalize in H2. The division's order backlog stood at Rs10.3bn, providing healthy revenue visibility. Management expects strong domestic ordering from the power sector, while a large Kuwait water supply order could support international order inflows. The Projects division was impacted by lumpiness in international revenue booking, with revenue at Rs862mn (vs Rs2.2bn in Q1FY27). Domestic revenue was subdued at Rs565mn (lower by 36.2% y-o-y), primarily due to slower execution of JJM projects. The division's order backlog stood at Rs40.8bn, providing healthy medium-term revenue visibility. Management expects domestic execution and O&M revenue to pick up following JJM payment releases in H2 and project commissioning. Internationally, Misa (Italy) has completed its legacy projects and secured healthy orders, while repeat orders in South Africa should support an execution pickup in H2FY27.

Outlook and Recommendations (contd.):

With regard to the order backlog, the overall order book stands at Rs51bn (with 47:53 mix between domestic and international). The total domestic order book stood at Rs24.2bn, while international order book was Rs26.9bn, providing healthy medium-term revenue visibility. The Product order backlog increased to Rs10.3bn, with the international: domestic split at 52:48. Project backlog stood at Rs40.8bn, with international projects contributing ~53%, increasingly diversifying WPIL's project exposure beyond India. Management sees huge underlying demand for pumps, but funding resources are constrained by the war and crude oil prices, causing demand postponement; the view is that demand will come back with a bang as soon as the global scenario improves. Geopolitical uncertainty in the Middle East is affecting new contract finalization and dispatches; Management expects to know within the next few months how it plays out. Overall, going forward whether West Bengal funds actually land and translate into accelerated execution, the pace of the promised H2 dispatch catch-up in the domestic product business, and any firming of the Kuwait water supply order are some of the triggers to watch out for. Considering the lumpiness and subdued performance in the projects business, we have revised our numbers downwards and accordingly the target is revised to Rs450.

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