



# RPP Infra Projects Ltd

**Monday, 19<sup>th</sup> November, 2018**

Corporate Relationship Department  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J.Towers,  
Dalal Street, Fort,  
Mumbai - 400001.  
**Scrip Code: 533284**

The Manager, Listing Department  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot no. C/1, Block G,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400051.  
**Scrip Code: RPPINFRA**

## **Sub: Investor Presentation**

Dear Sir/Madam,

With reference to the above captioned subject, we hereby enclose the Investor Presentation Q2 FY 18-19 for the month of November 2018.

Kindly note the above Information in your records.

Thanking you,

Yours Truly,

**For R.P.P Infra Projects Limited**

**A. NITHYA**  
**Whole Time Director & CFO**



# RPP INFRA PROJECTS LTD

CORPORATE PRESENTATION | Q2 FY19

# Disclaimer

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The company referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These company assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

# Agenda

- |   |                                 |              |
|---|---------------------------------|--------------|
| 1 | Introduction to the Company     | Slides 4-7   |
| 2 | Q2FY19 Review & Future Guidance | Slides 8-16  |
| 3 | Industry Overview               | Slides 17-22 |
| 4 | Appendix – Company Overview     | Slides 23-32 |

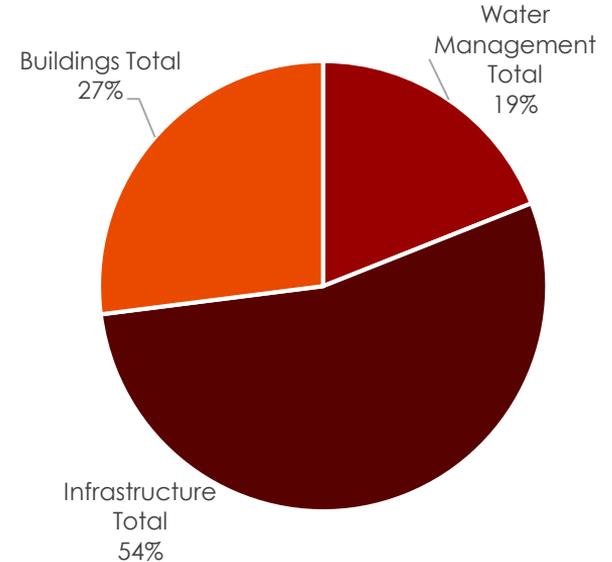
# A Pure Play Niche EPC Company

- Strong presence in the fast-growing micro-markets of South India
- Currently spreading its footprints in Maharashtra and MP for geographical diversification
- Diversified presence in Highways, Roads & Bridges, Civil Construction in Water Management, Irrigation and Power projects
- Focus on small government projects with superior project execution skills
- Short tenure projects provide strong revenue visibility

A Pure Play EPC  
Company

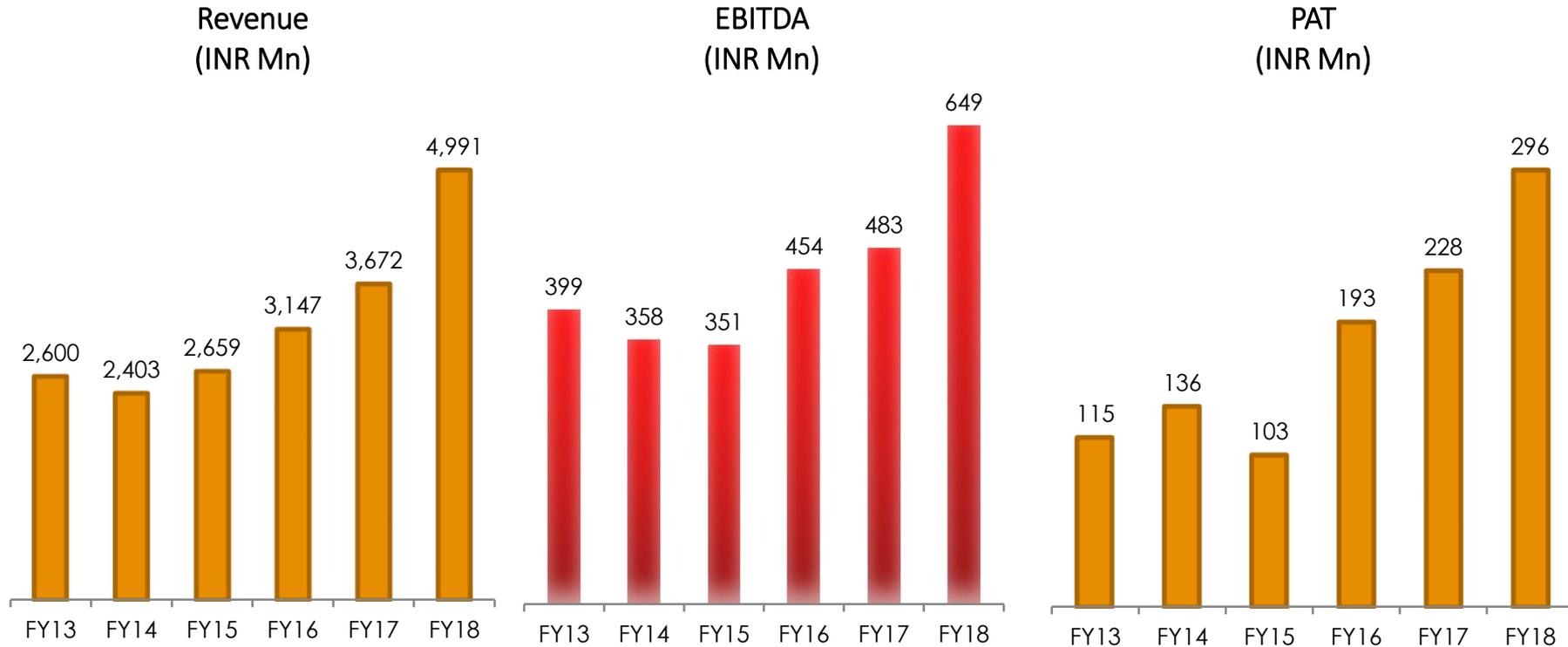
Zero Exposure to  
HAM

## Order Book (Sep'18) – INR 14,566 Mn



Orders won after Q2 FY19 : 2,085 Mn

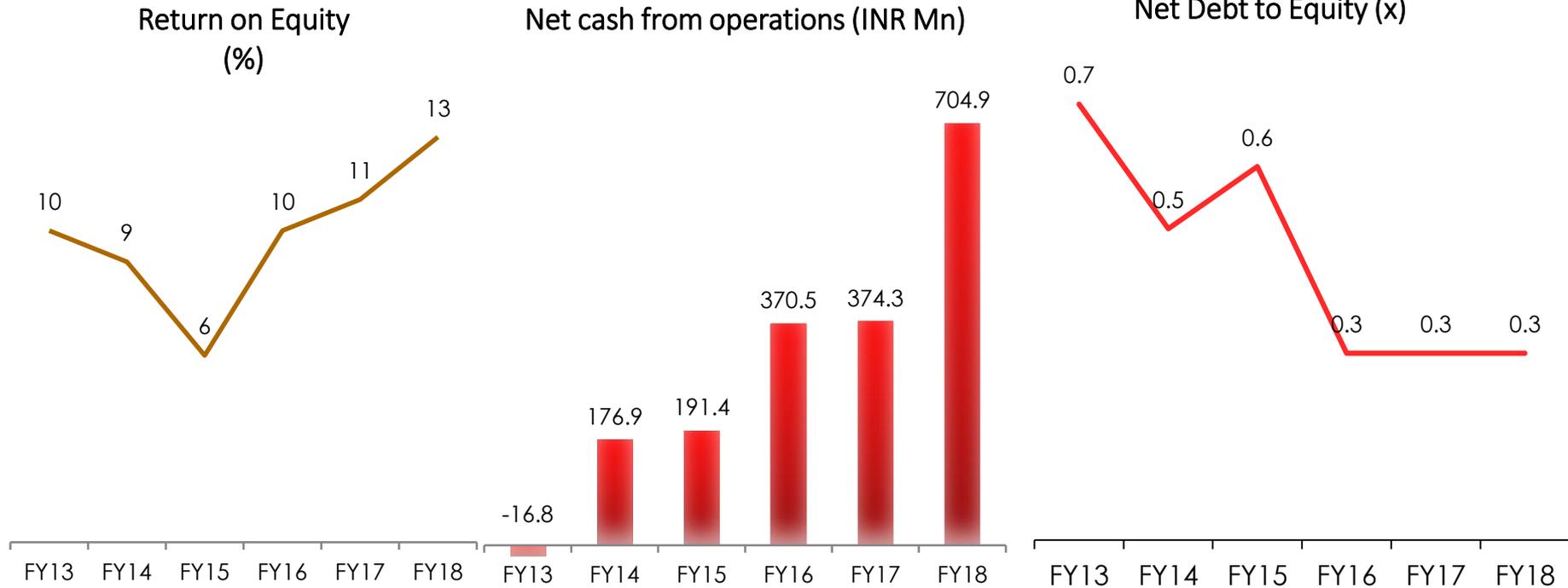
# A Fast Growing Company...



\*calculated on a consolidated results

Adjusted PAT excluding one time tax expense of Rs. 17.96 crores to resolve pending IT disputes from FY10 to FY16

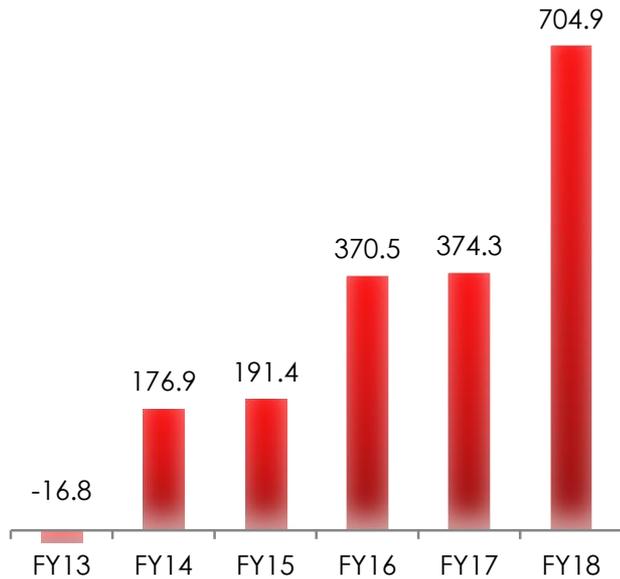
## ...With a Strong Balance Sheet



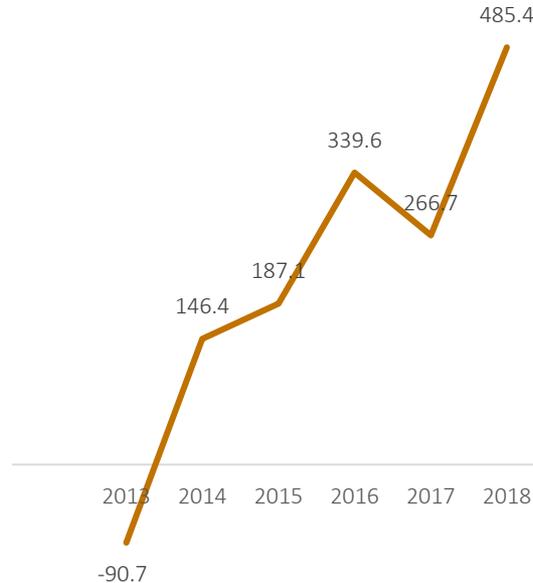
\*calculated on a consolidated results

# Creating Sustainable Shareholder Value

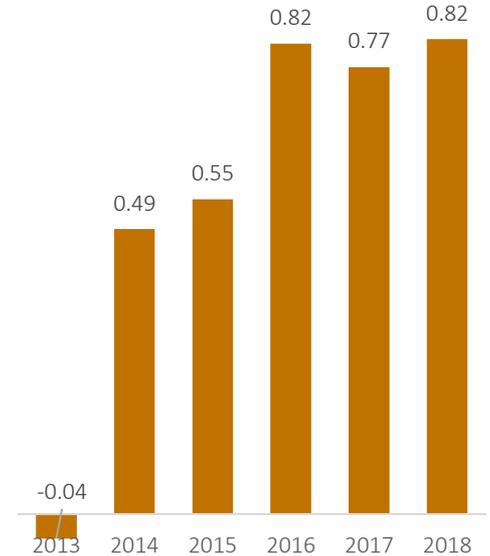
Net cash from operations  
(INR Mn)



Free Cash Flow Generation  
(INR Mn)



OCF/EBITDA

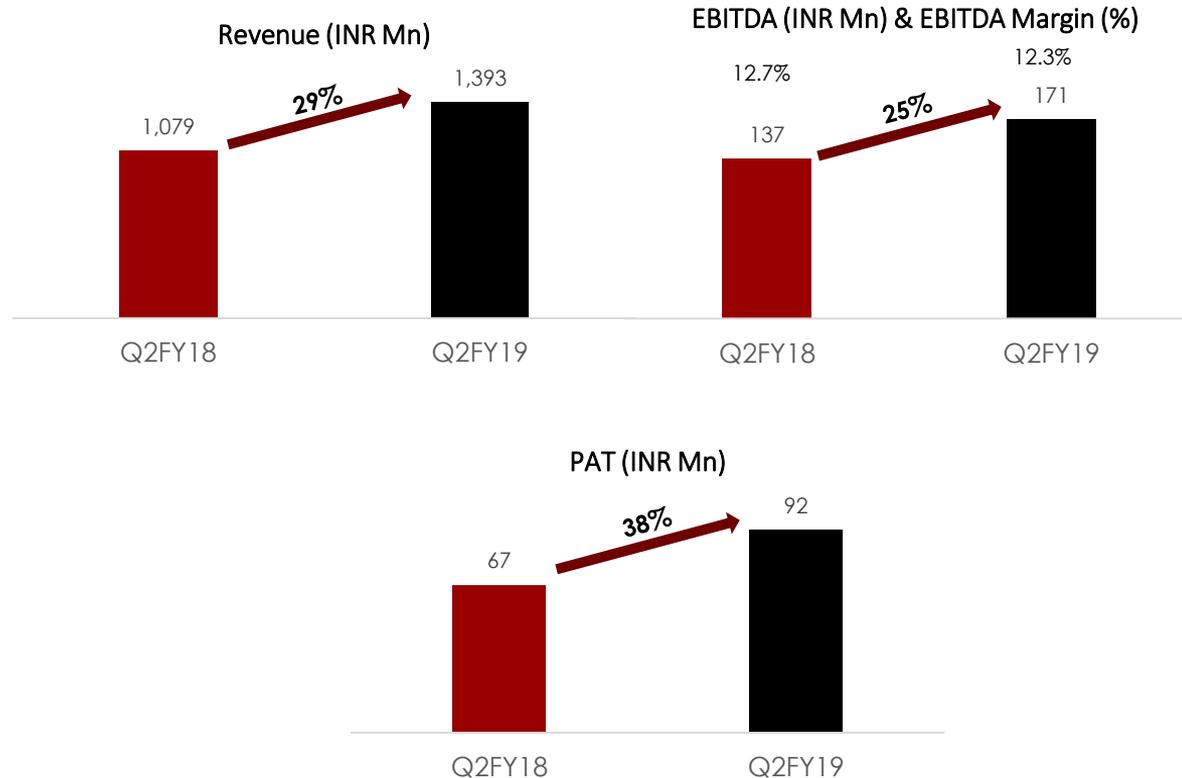


\*calculated on a consolidated results

# Q2FY19: Strong Performance

## Operational Highlights

- Highest ever quarterly revenue despite it being a seasonally weak quarter
- Order inflows in Q2FY19 at INR 2.1 billion
- Order Book as on Q2 FY19 – INR 14.6 billion
- Won new orders in the water management & roads & highways.
- CRISIL has assigned 'CRISIL BBB/Stable/ CRISIL A3+' ratings



# H1FY19 – Balance Sheet Strength Intact

17%

Adj Return on  
Equity (%)

0.3x

Net Debt to Equity  
(x)

82 Days

Receivable Days

14 Days

Inventory Days

75 Days

Payable Days

*\*Above data is calculated on TTM basis*

## Q2FY19 At a Glance

INR Mn	Q2FY19	Q2FY18	% Change
Revenues	1,393	1,079	29%
EBITDA	171	137	25%
EBITDA Margin	12.3%	12.7%	
Finance Cost	50	44	14%
PAT	92	67	38%
EPS (INR)	4.1	2.9	38%

## H1FY19 At a Glance

INR Mn	H1FY19	H1FY18	% Change
Revenues	2,397	2,204	9%
EBITDA	307	299	3%
EBITDA Margin	12.8%	13.5%	
Finance Cost	97	102	-4%
PAT	157	145	8%
EPS (INR)	7	6	8%

# Business Review

## ROADS

- Current Order Book – INR 7,856 Mn;
- Will maintain high EBITDA margins of 12-14%



## WATER MANAGEMENT

- Current Order Book – INR 2,755 Mn;
- Will maintain high EBITDA margins of 15-18%



## BUILDINGS

- Current Order Book – INR 3,955 Mn;
- Will maintain EBITDA margins of 10-12%

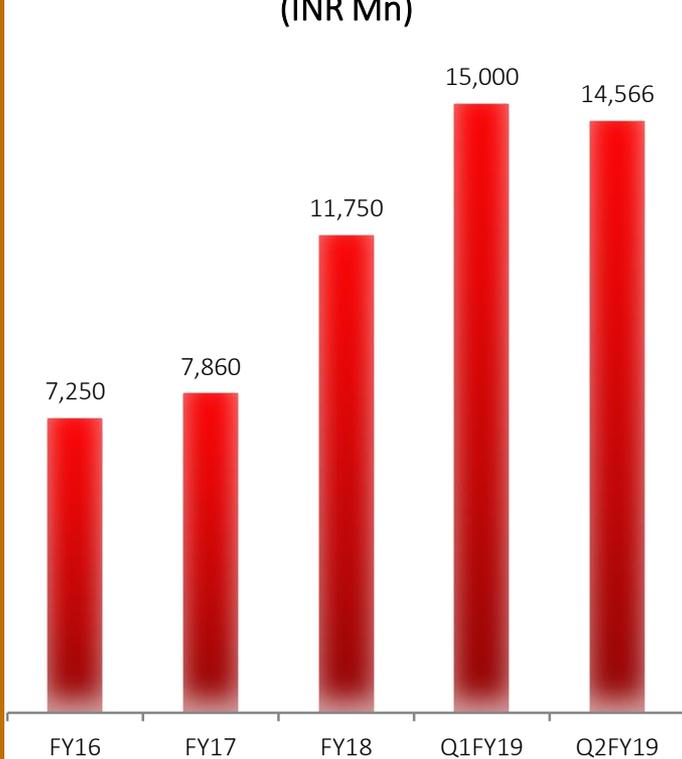


## H1FY19 – Strong Order Inflows

Name	Amount	Segment	State
<b>Post Q2FY19 Wins</b>			
Tamilnadu Water Supply and Drainage Board	INR 1,558 Mn	Water Management	Tamilnadu
Government of Jharkhand	INR 527 Mn	Water Management	Jharkhand
<b>Q2FY19 Order Wins</b>			
Public Works Department	INR 2,171 Mn	Roads & Highways	Maharashtra
<b>Q1FY19 Order Wins</b>			
Multi-storey tenements in Erode	INR 1,190 Mn	Affordable Housing	Tamil Nadu
NH-347A	INR 1,449 Mn	Roads & Highways	Maharashtra
NH-161E	INR 1,382 Mn	Roads & Highways	Maharashtra
Central Public Works Department	INR 679 Mn	Buildings	Tamil Nadu
Kerala Infrastructure & Technology for Education (KITE)	INR 837 Mn	Buildings	Kerala

# On the move with India

## Orderbook Growth Trajectory (INR Mn)



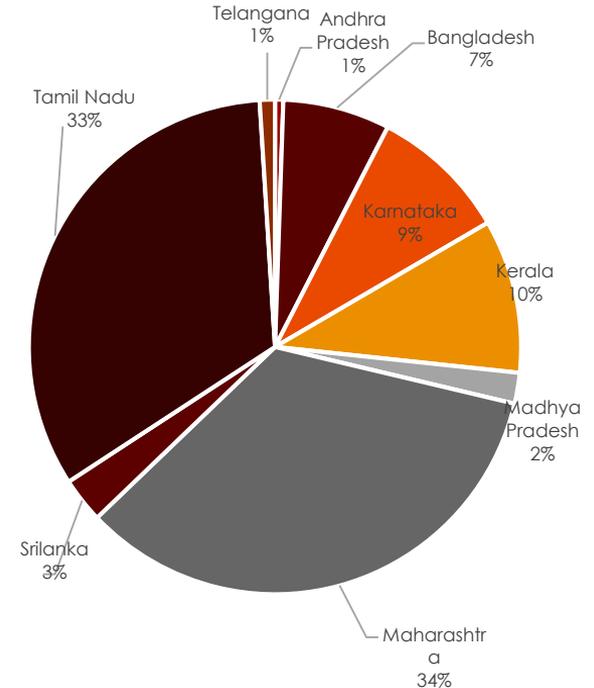
**100%**  
Govt Order Book

**24%+**  
Order Book Growth in H1 FY19

**9**  
States of Operations

**3**  
Countries of Operations

## Order Book Break up



# FY19 Outlook & Guidance

Company continues to maintain its guidance

<b>Revenue Guidance</b>	<b>INR Mn</b>
FY2018 Actual	4,991
FY2019	6,500-7,000
FY2020	8,500-9,000

Revenue growth for the next 2 years: 30%+

Sustainable EBITDA Margin: 13% - 14%

Low Capex Requirement: FY19 Capex – INR 200 - 250 million

# Key Investment Highlights

## Growing Order Book

c.2x in 3 years

## Short duration projects

2.8x Book to Bill ratio

## Strong revenue visibility

87% of projects to be completed in 18-24 months period

## Superior Revenue Growth

- 30%+ for next 2 years

## De-risked Business Profile

- 100% Government orders

## Healthy Balance Sheet

- Lower net debt on books



## Industry Overview

# Construction industry in India: Compelling growth drivers

- Growing economy and increasing urbanization along with favorable policy bodes well for construction sector in the country
- Big boost in infrastructure spending expected over next few years

## Roads

Completion of the remaining length of the NHDP program

New projects such as Bharat Mala, Pradhan Mantri Gram Sadak Yojana

Four-laning of national highways

Upgradation of state highways to national highways

## Urban Infra

Schemes such as Swachh Bharat, smart cities, green mode of transport

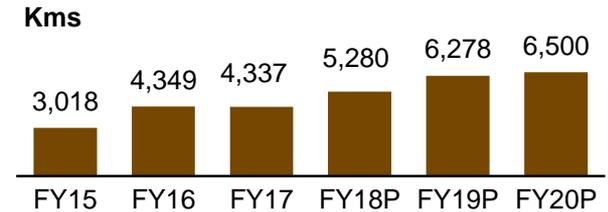
Mass rapid transit, metro train, water supply & sanitation projects

## Irrigation and River Linking

More than 50% of cultivated land in India is still not irrigated

Govt's aggressive river linking targets provides huge opportunity

## NHAI awarding <sup>(1)</sup>



## Structural positive changes in sector

Streamlined & ease in process for obtaining environmental / green clearance approval driving faster execution

Government's approval of new arbitration guidelines to help in speedy resolution of pending claims, improving cash flows

# Rural Infra: A Strong Government Focus

Comprehensive development of the rural infrastructure in India appears to a top priority for the Central Government

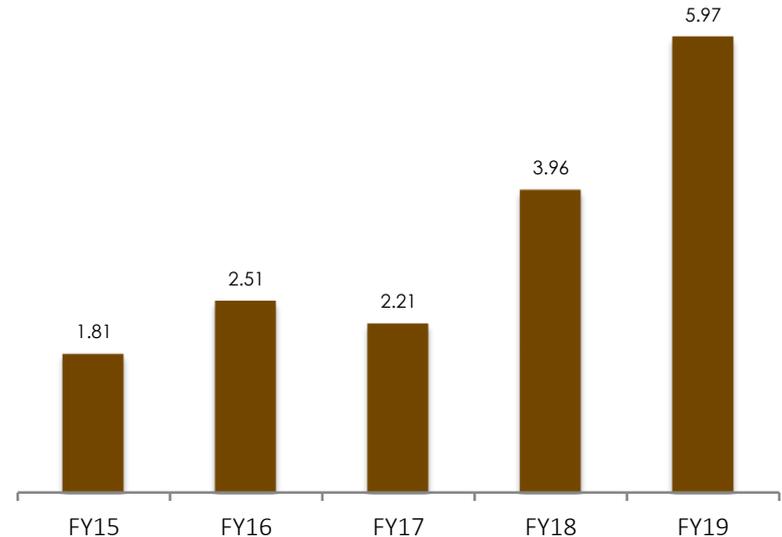
Rural Road Development – A prime focus area

Allocation of INR 14.34 trillion for creation of livelihood and infrastructure

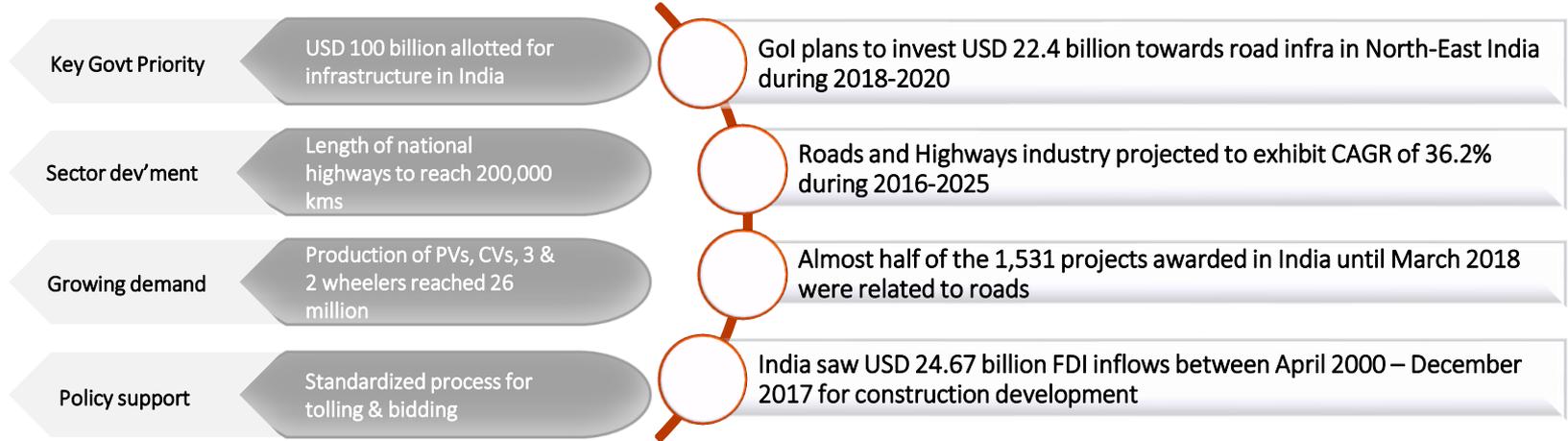
The irrigation sector has emerged as one of the most important considerations for the Government

Housing for All by 2055: Allocation of US\$3.5 billion

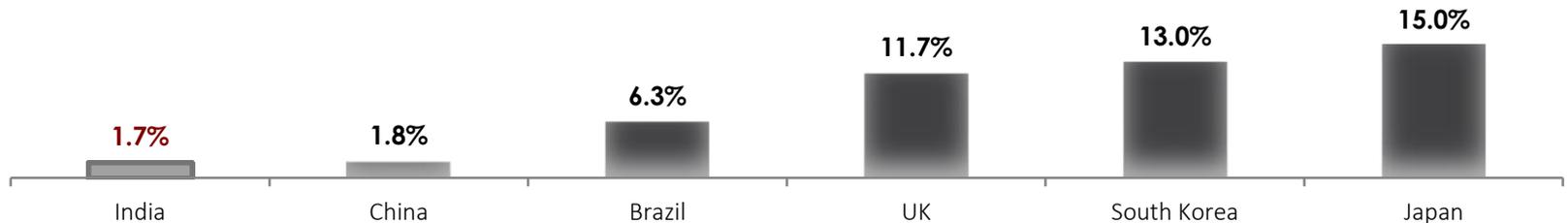
UNION BUDGET: ALLOCATION TO INFRASTRUCTURE SECTOR



# Significant Upcoming Growth in Roads



National Highways as % of Total Road Network



Source: GOI websites

# Bharatmala: Stepping Stone Towards New India

Components of BharatMala Road Programme	Length (KM)	Outlay (INR Bn)
Economic Corridor Development	9,000	1,200
Inter-Corridor and feeder roads	6,000	800
National corridor efficiency improvements	5,000	1,000
Border and International Connectivity Roads	2,000	250
Coastal & port connectivity roads	2,000	200
Expressways	800	400
<b>Total</b>	<b>24,800</b>	<b>3,850</b>
Balance road works under NHDP	10,000	1,500
<b>TOTAL</b>		<b>5,350</b>

- Corridor-based approach
- INR 3.8 tn of new projects out of INR 6.9 tn of overall spends
- 20% share or Rs 1 tn ordering opportunity for PPP projects
- DPR or detailed project report for 19,500 kms is underway currently
- NHAI & MORTH would now have final say on most PPP projects (excluding BOT Toll requiring VGF) up to INR 20 bn and EPC projects (limit of INR 10 bn for non-NHAI projects)

# The Irrigation Opportunity

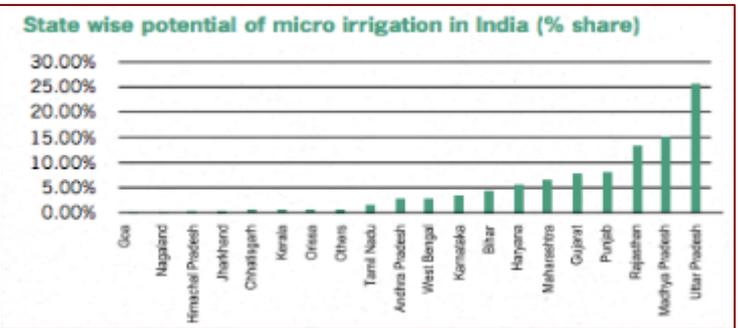
India accounts for ~17% of the total world's population but only 4% of the world's fresh water resources; FICCI  
 Micro Irrigation is amongst priority areas – exclusive fund being set up in NABARD

Key Scheme: Prime Minister Krishi Sinchai Yojna- Har Khet ko Pani  
 Budgetary allocation of INR 26 billion in Union Budget 2018-2019

## Union Budget 2018-2019: Opportunity Size

- ✓ PM Krishi Sinchai Yojna – INR 26 billion for 96 irrigation deprived districts
- ✓ Scope of Long Term Irrigation Fund (LTIF) in NABARD expanded

Drip Irrigation coverage	3.37 MHA
Sprinkler Irrigation coverage	4.36 MHA
Theoretical potential for micro irrigation in India	69.5 MHA
Untapped Potential	61.8 MHA

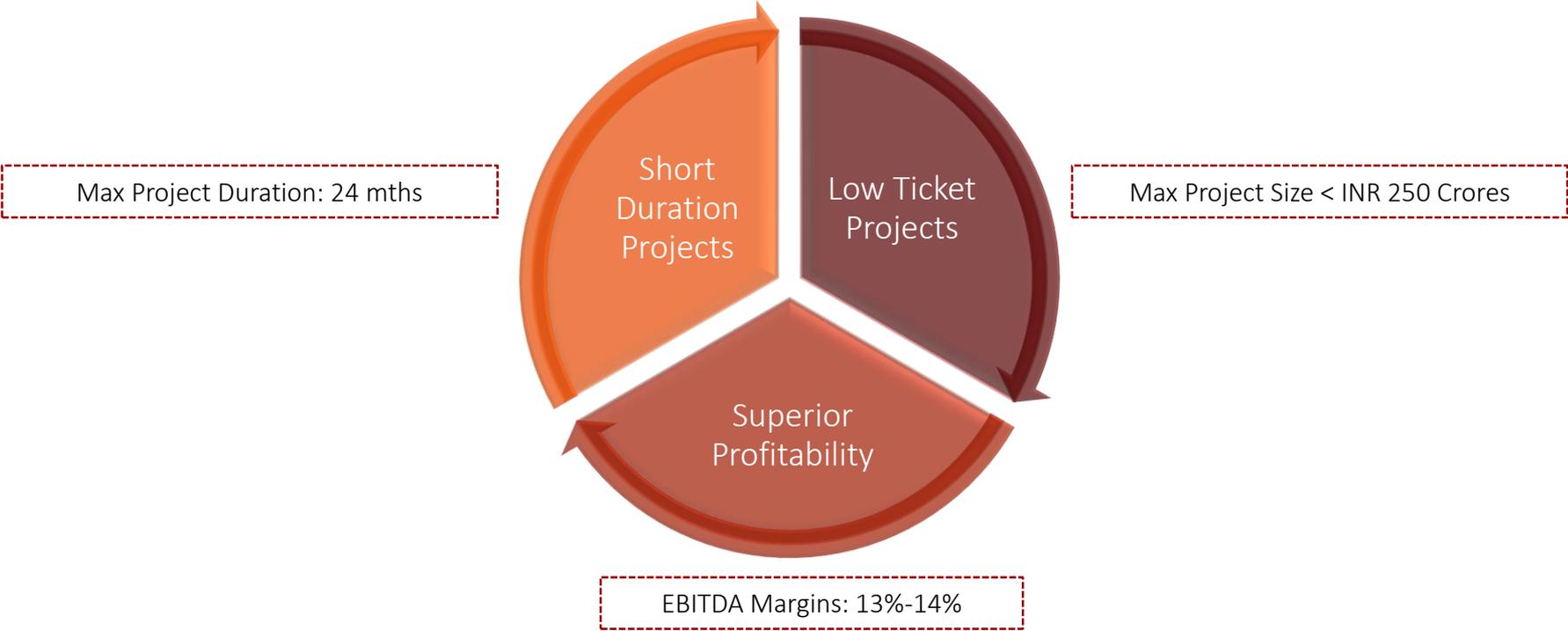


Source: India Agri Stat; Ministry of Agriculture, Government of India;  
 National Mission on Micro Irrigation Impact study for Govt of India, 2014



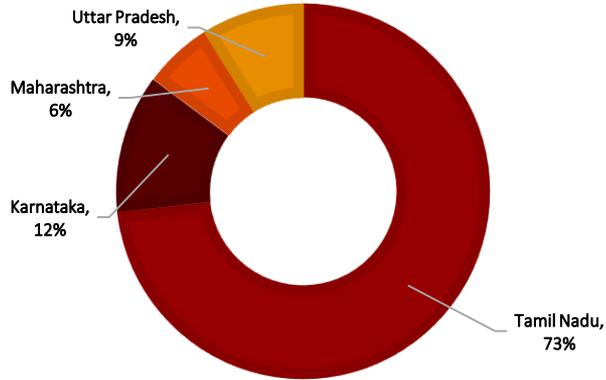
## Appendix – Business Highlights

# De-Risked Business Model

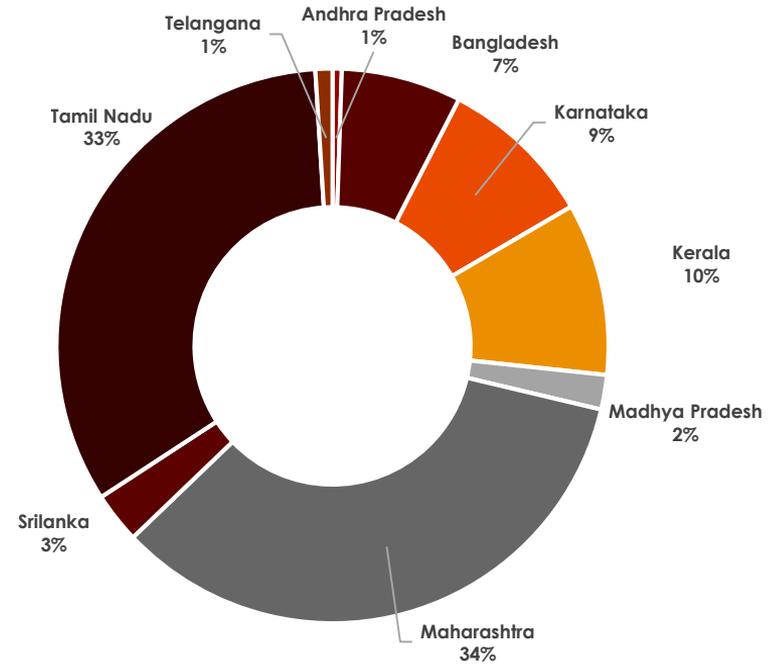


# Improving Geographical Diversification

FY14 Order Book – INR 5,360 mn

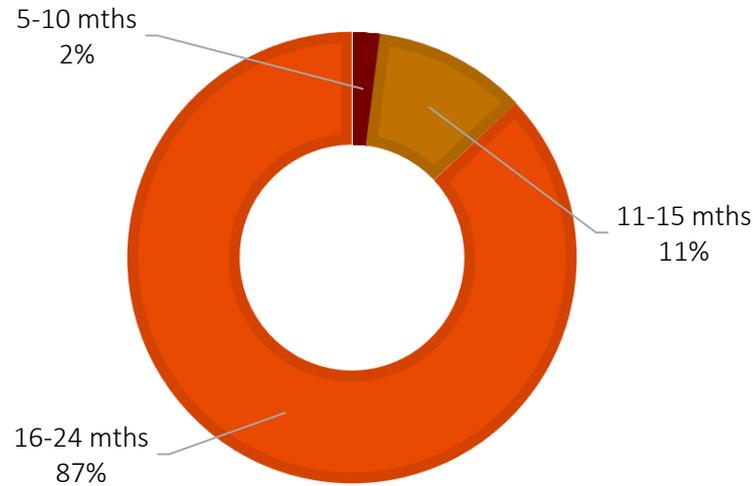


Order Book (Sep'18) – INR 14,566 Mn



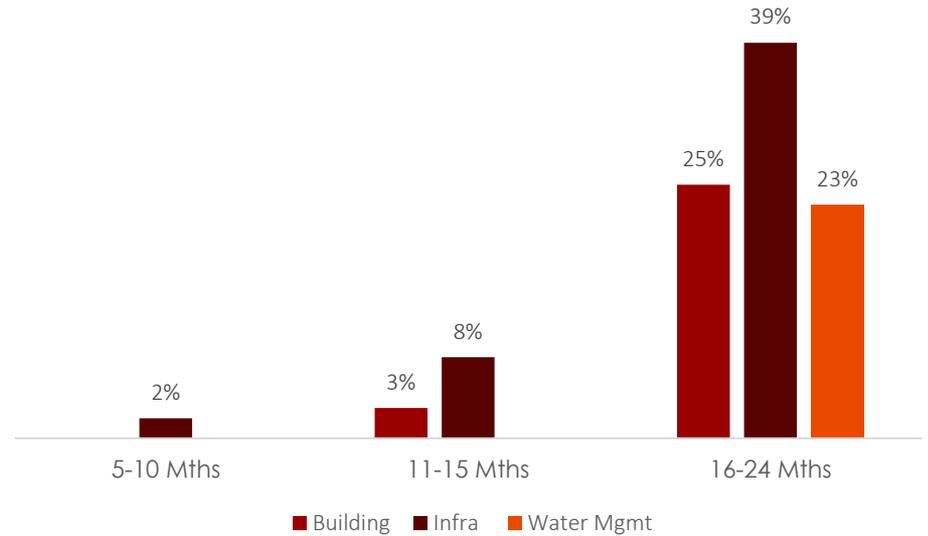
# High Revenue Visibility

Project Duration

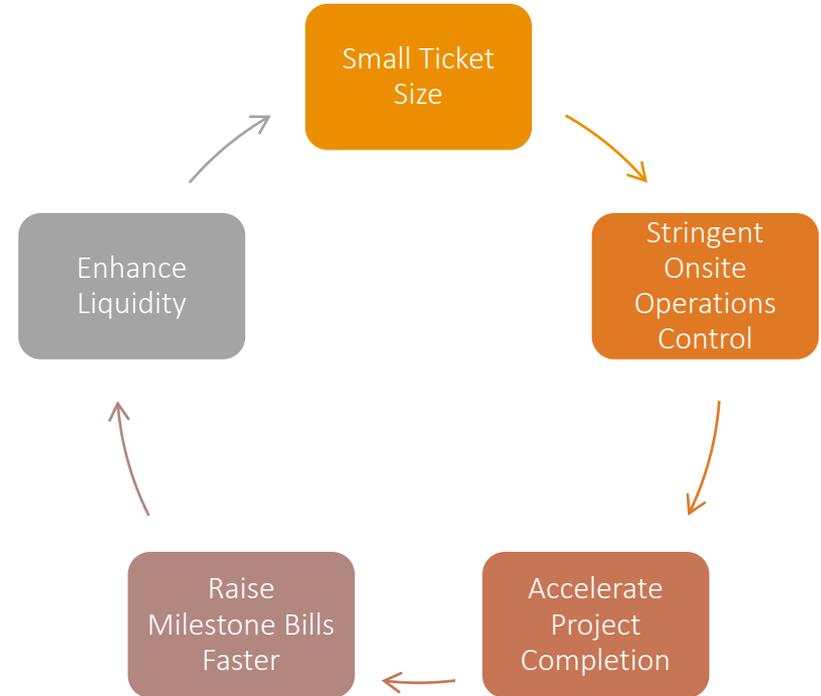
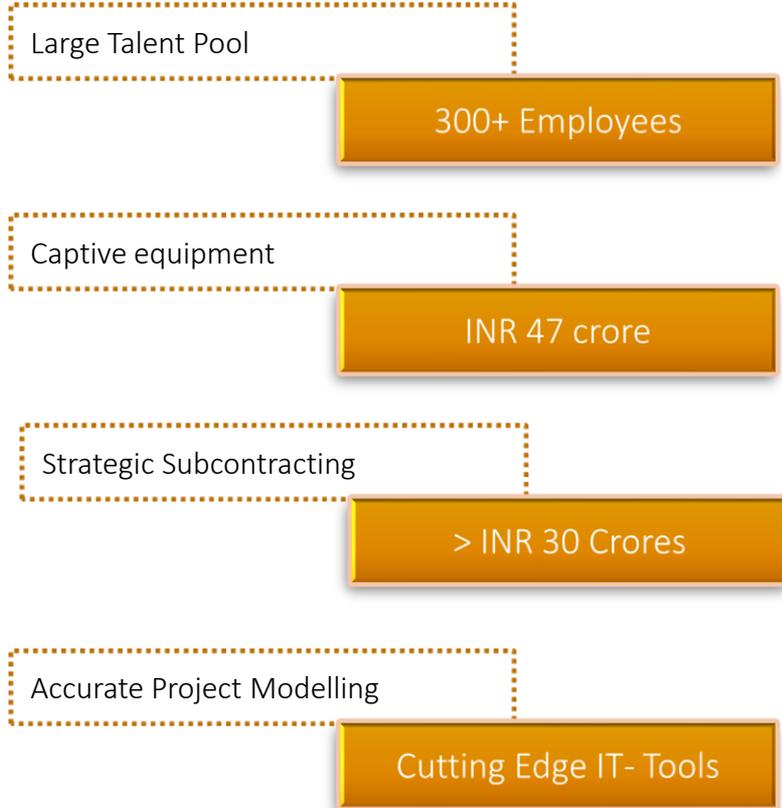


Book to bill ratio: 2.8x

Project Duration by Sector



# Efficient Operations



# Key Marquee Projects

## Power Projects & Civil Work

- Sub Station at KPTCL, Karnataka
- Udupi Project, Karnataka
- Apgenco Project, Andhra Pradesh
- Pykara Project, Tamil Nadu
- Chemplast Project, Tamil Nadu

## Infrastructure

- Atomic Energy, Kalpakkam
- Storm water drains to Chennai Corporation
- Truck Parking Yard at Manjampakkam, Chennai
- TNRSP Road works, Tamil Nadu
- Scientific Warehouse with PEB, Coimbatore, Tanjore, etc.

## Industries

- BHEL – Tiruchy, Chennai
- MRPL, Bangalore
- MSEZ, Mangalore
- Neyveli Lignite Corporation, Tamil Nadu
- Textile Park, Kamarapalyam
- Circulating water system & fire protection system for Neyveli Lignite Corporation

## Water & Irrigation

- Construction for contour canal for 49.3 kms at Udumalpet
- CWSS to 312 Habs at Eddapaddy rural areas in Salem, Tamil Nadu
- Second Vaigai water supply schemes at Madurai
- Construction of surplus regulator across Valpar River, Tamil Nadu
- CWSS to 175 rural habitation in Dindigul district
- Canal Lining project at Karnataka Neeravari Nigam Limited

## Buildings

- 1000 units of homes for IDPs in Sri Lanka
- Auditorium at Chennai Corporation
- Ampa Center One in Nelson Manickam Road, Chennai
- Anna Institute of Management, Chennai
- Paddy market complex
- Auditorium & Zonal Office for Chennai Corporations
- Housing units for Karnataka Police
- Kendra Vidyalaya School at Madurai
- NIT campus at Trichy

# Talent Driven Organization

Mr. P. Arulsundaram  
Chairman & MD

- Started RPP Infra in 1988
- Civil Engineer by qualification
- Practical experience of more than 23 years in construction industry
- Trustee in Erode District Builder's Association Engineering College

Mrs. A. Nithya  
Wholetime Director & CFO

- Masters in Business Administration (Finance) & Software Appl
- Additional Qualifications – Liaison with Bankers and Financiers
- Vast experience in accounting & finance, legal, FX, HR, corporate governance

Mr. P. Muralithasan  
Director

- Civil Engineer by qualification
- Executed several marquee projects for RPP Infra

# Board of Directors

Mr. K. Ravi

Independent Director

- Bachelors Degree from National Institute of Technology, Fellow of Institution of Engineers & Certified Maintenance Professional
- Has over 43 years of experience in the construction industry

Mr. P.R. Sundarajan

Independent Director

- Bachelors Degree from National Institute of Technology
- Masters degree in Structural Engineering
- Has over 36 years of experience in the construction industry

Mr. K. Rangasamy

Independent Director

- Holds a Masters degree in Agricultural Science
- Qualified Member of Indian Institute of Bankers
- Has over 36 years of experience in the banking industry

Mr. Vijay Agarwal

Independent Director

- Fellow of Chartered Accountants of India
- Involved in NPOs, Urban & Education
- Several years of experience in Tax Advisory Services

## P&L TABLE

INCOME STATEMENT (INR Mn)	H1 FY19	FY18	FY17	Y-o-Y%
Revenue	2,397	4,991	3,663	36%
Expenses	2,090	4,342	3,180	37%
<b>EBITDA</b>	<b>307</b>	<b>649</b>	<b>483</b>	<b>34%</b>
<i>EBITDA Margin</i>	<i>13%</i>	<i>13%</i>	<i>13%</i>	
Depreciation	23	68	51	33%
Finance Cost	97	193	168	15%
Other Income	53	64	40	60%
<b>PBT</b>	<b>240</b>	<b>452</b>	<b>305</b>	<b>48%</b>
<i>PBT Margin</i>	<i>10%</i>	<i>9%</i>	<i>8%</i>	
Tax Expense	83	156	77	103%
<b>PAT</b>	<b>157</b>	<b>296</b>	<b>228</b>	<b>30%</b>
<i>PAT Margin</i>	<i>7%</i>	<i>6%</i>	<i>6%</i>	

# B/S TABLE

Assets	H1 FY 19	FY 18	FY 17	Equity and Liabilities	H1 FY 19	FY 18	FY 17
<b>Non-Current assets</b>							
Property, plant and equipment	424	302	284	<b>Equity</b>			
Capital work in progress	-	2	40	Equity Share Capital	226	226	226
Other Intangible assets	-	1	0	Other Equity	1,788	1,645	1,524
				Total equity	2,014	1,871	1,750
<b>Financial assets</b>				<b>Non-current liabilities</b>			
Investments	7	7	10	Financial liabilities			
Long Term Loans & Advances	-	-	-	Borrowings	907	118	168
Deferred Tax Asset	22	22	12	Other Financial Liabilities	9	-	20
Other Non-Current Assets	19	18	5	Provisions	7	7	6
<b>Current assets</b>				<b>Current liabilities</b>			
Inventories	208	177	40	Financial Liabilities	-	-	-
<b>Financial assets</b>	-	-	-	Borrowings	635	628	577
Trade Receivables	1,267	1,057	2,234	Trade payables	1,168	973	1,394
Cash and Cash equivalents	850	793	402	Other current financial liabilities	391	943	437
Short Term Loans & Advances	706	395	238	Other Current Liabilities	483	415	149
Others	1,734	1,463	852	Short Term Provisions	47	12	1
Other Current Assets	597	819	463	Current Tax Liabilities (Net)	172	89	80
Current Tax Assets (net)	-	-	-				
<b>TOTAL</b>	<b>5,833</b>	<b>5,056</b>	<b>4,581</b>	<b>TOTAL</b>	<b>5,833</b>	<b>5,056</b>	<b>4,581</b>

# Thank You & Contact Us

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