



# RPP Infra Projects Ltd

Saturday, 1<sup>st</sup> June, 2019

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 Corporate Presentation Q4 FY 18-19 for the month of May 2019.

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 | 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	Q4FY19 Review & Future Guidance	Slides 8-14
3	Industry Overview	Slides 15-17
4	Appendix – Company Overview	Slides 18-29

# Strong Delivery Despite Tough Environment

	<b>FY19 Guidance</b>	<b>FY19 Actual</b>
Revenue	INR 5.3-5.5 Bn	INR 5.8 Bn

## FY19 Highlights

- Strong Order Book of INR 19.44 Bn
- Revenue growth of 16.3% despite tough operating environment
- Reported EBITDA Margins at 10.7%, not including GST-related adjustments
- GST-adjusted EBITDA Margins stand at 13.1%; in-line with guidance
- High book to bill ratio at 3.35x
- Working Capital Situation eased; bank guarantees tied up in March 2019
- Promoter pledge on 9.7 lk shares released in Q1FY20
- Changes in billing pattern to stage-wise completion vs item-wise completion earlier, led to cost booking to INR 140 Mn, without booking consequent revenue

## FY20 Outlook

Revenue Guidance of INR 6.5 - 7.5 Bn

Order Inflow of INR 12,000 Mn; Already at L1 status for projects worth INR 4,802 Mn

Sustainable EBITDA Margin: 12-13%

Low Capex Requirement: FY20 Capex – INR 200 – 250 million

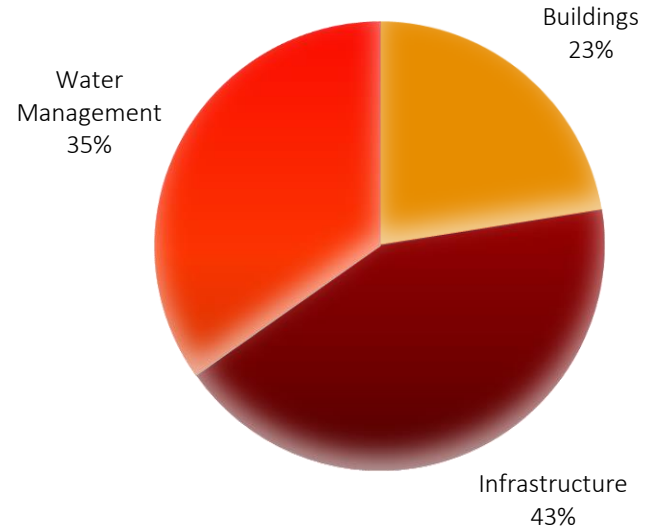
# A Pure Play Niche EPC Company

- 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

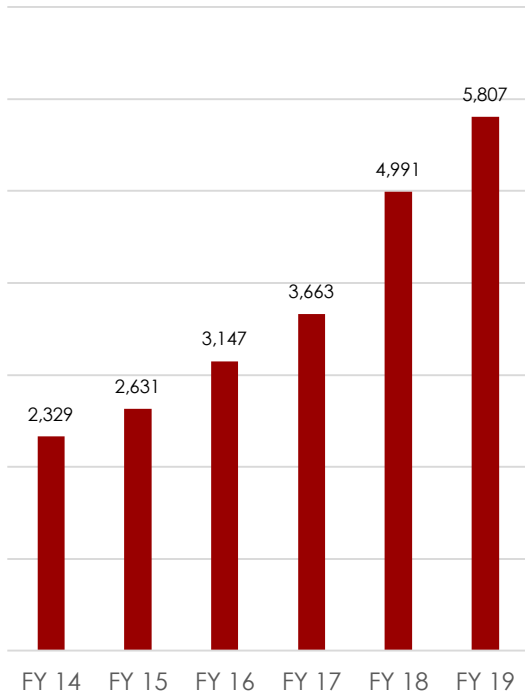
Order Book (Mar'19) – INR 19,442.5 Mn



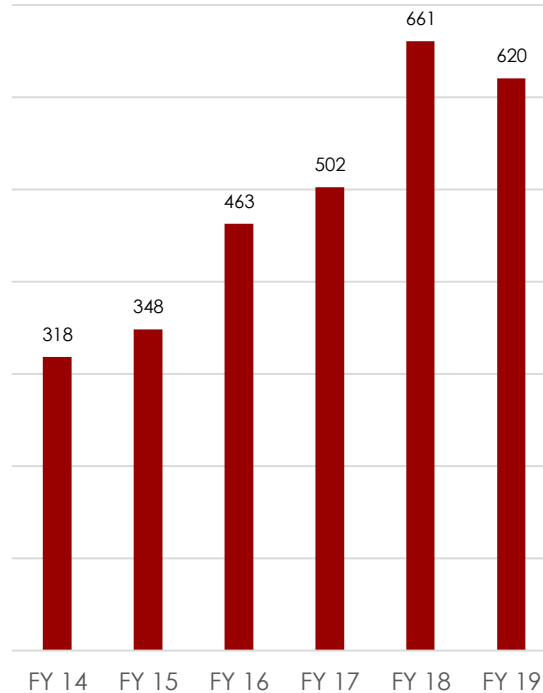
Orders won in Q4 FY19 : 4,937 Mn

# A Fast Growing Company...

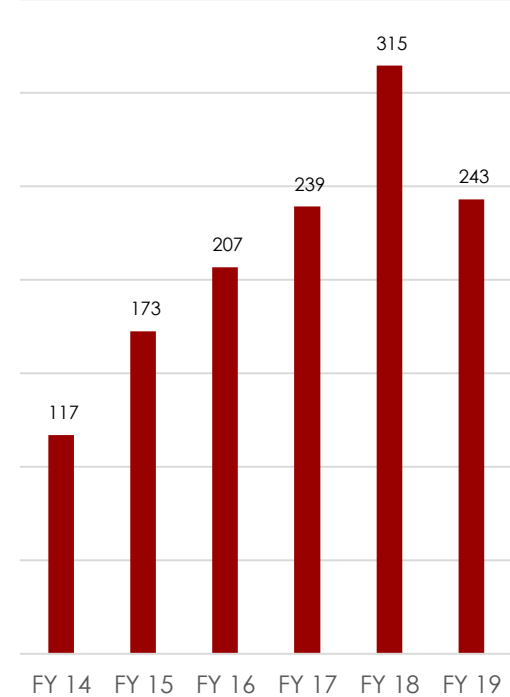
Revenue (INR Mn)



EBITDA (INR Mn)



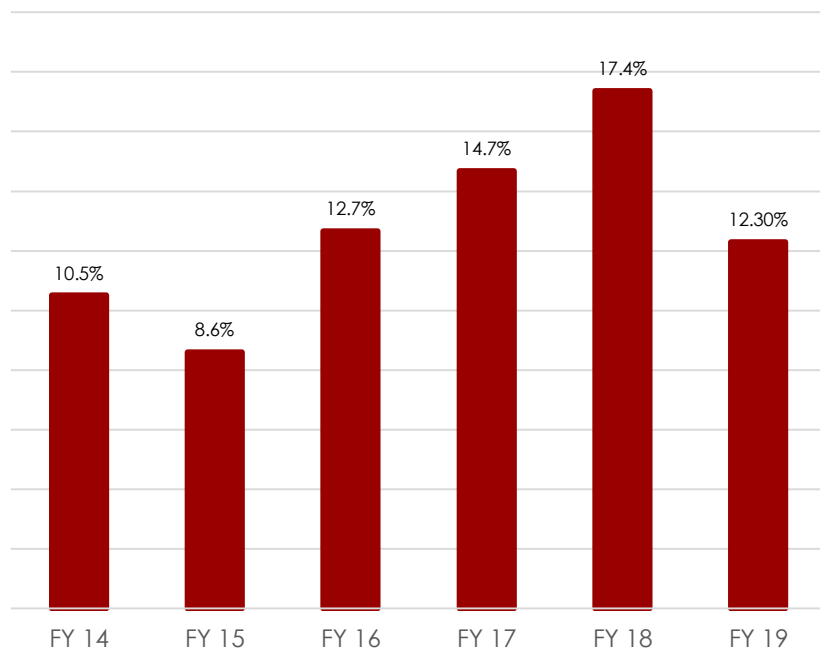
PAT (INR Mn)



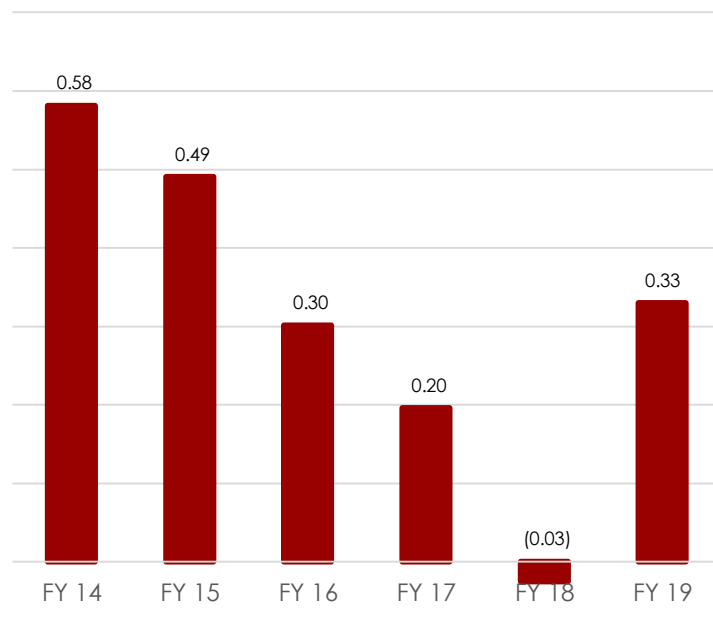
*Adjusted PAT in FY18 is excluding one time tax expense of Rs. 17.96 crores to resolve pending IT disputes from FY10 to FY16*

## ...With a Strong Balance Sheet, Creating Superior Shareholder Value

RoE (%)



Net debt to equity (x)

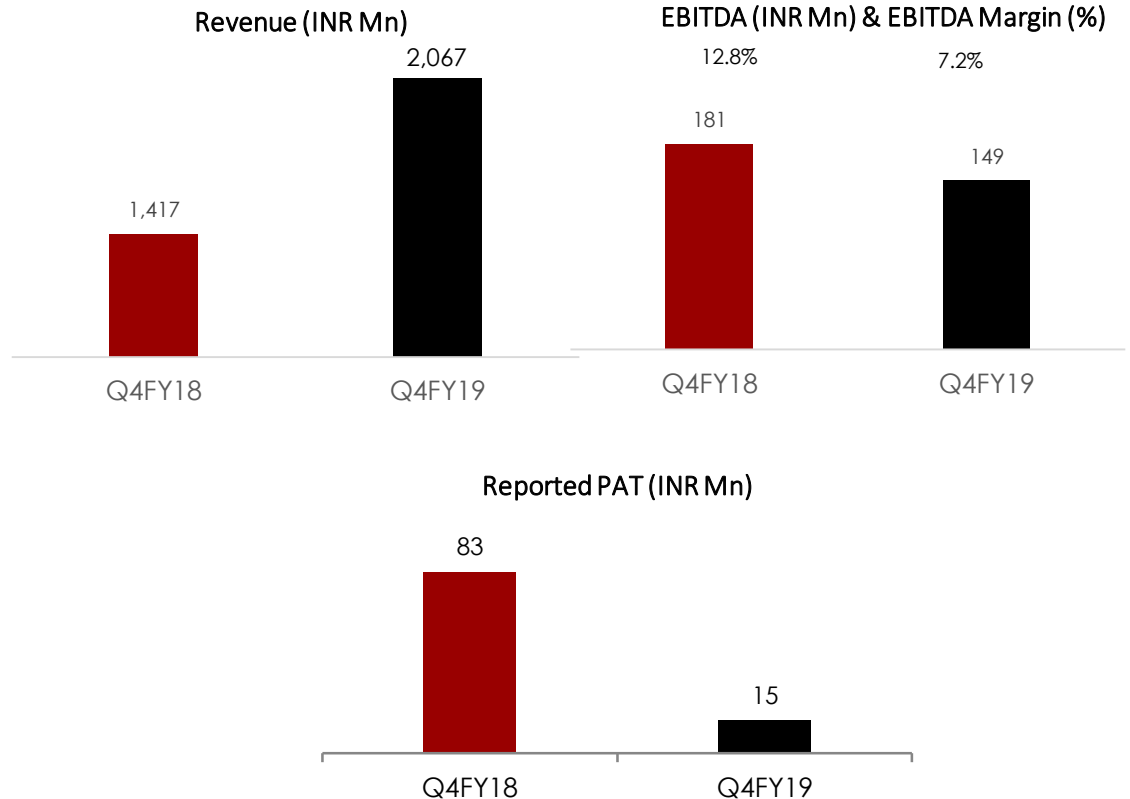




# Q4FY19: Stable Performance Amid Tight Liquidity

## Operational Highlights

- Q4FY19 revenue growth of 46% led by strong execution of order book
- Changes in billing pattern to stage-wise completion vs item-wise completion earlier, led to 56% increase in costs, thus impacting EBITDA margins
- Higher finance costs attributed to final tie-up of BG limits, only in March 2019, thus remaining unutilised in Q4FY19



# FY19 – Balance Sheet Strength Intact

12.3%

Return on  
Equity (%)

0.3x

Net Debt to Equity  
(x)

103 Days

Receivable Days

13 Days

Inventory Days

87 Days

Payable Days

## Q4 & FY19 At a Glance

INR Mn	Q4FY19	Q4FY18	% Change (YoY)	FY19	FY18	% Change (YoY)
Revenues	2,067	1,417	46%	5,807	4,991	16.3%
EBITDA	149	181	-18%	619.7	660.6	- 6.2%
<b>EBITDA Margin</b>	<b>7.2%</b>	<b>12.7%</b>		<b>10.7%</b>	<b>13.2%</b>	
Finance Cost	72.8	47	56%	232.4	185.6	25.2%
Reported PAT	14.9	82.9	-82%	243.5	133.5	- 22.2%
Reported EPS (INR)	0.66	3.67	-82%	10.77	5.84	- 21.9%

# Business Review

## ROADS

- Current Order Book – INR 8,309 Mn
- Embedded EBITDA margins of 12-14%



## WATER MANAGEMENT

- Current Order Book – INR 6,764 Mn
- Embedded EBITDA margins of 15-18%



## BUILDINGS

- Current Order Book – INR 4,369 Mn
- Embedded EBITDA margins of 10-12%

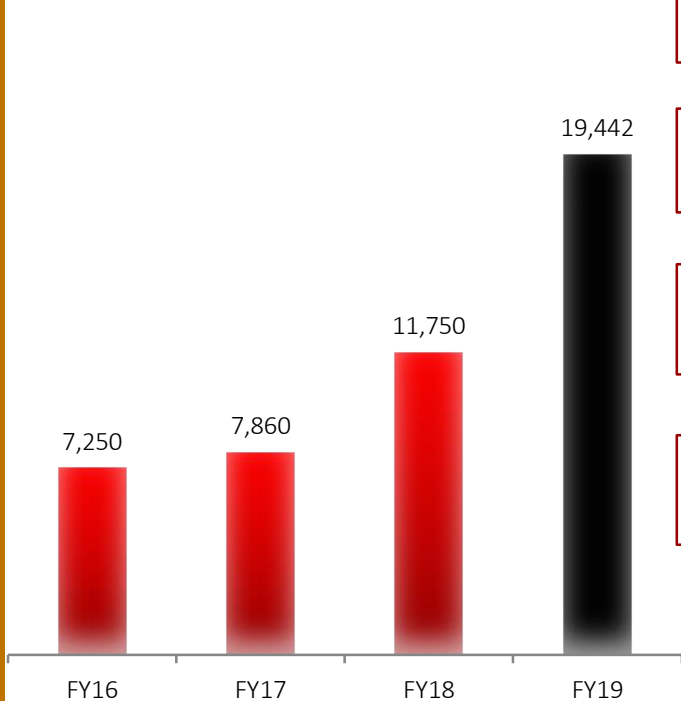


## Q4 FY19 – Strong Order Inflows

Name	Amount	Segment	State
Q4FY19 Wins			
Slum Clearance Board, Tamil Nadu	INR 1,057	Buildings	Tamilnadu
BHEL, Chennai	INR 629 Mn	Buildings	Tamilnadu
Tiruppur City Municipal Corporation	INR 1,947 Mn	Water Management	Tamilnadu
BHEL, Chennai	INR 402 Mn	Buildings	Tamilnadu
Thoothukudi Smart City	INR 180 Mn	Water Management	Tamilnadu
Gujarat Water Supply Board – 40% share	INR 405 Mn	Water Management	Gujarat
Gujarat Water Supply Board – 40% share	INR 317 Mn	Water Management	Gujarat

# On the move with India

## Orderbook Growth Trajectory (INR Mn)



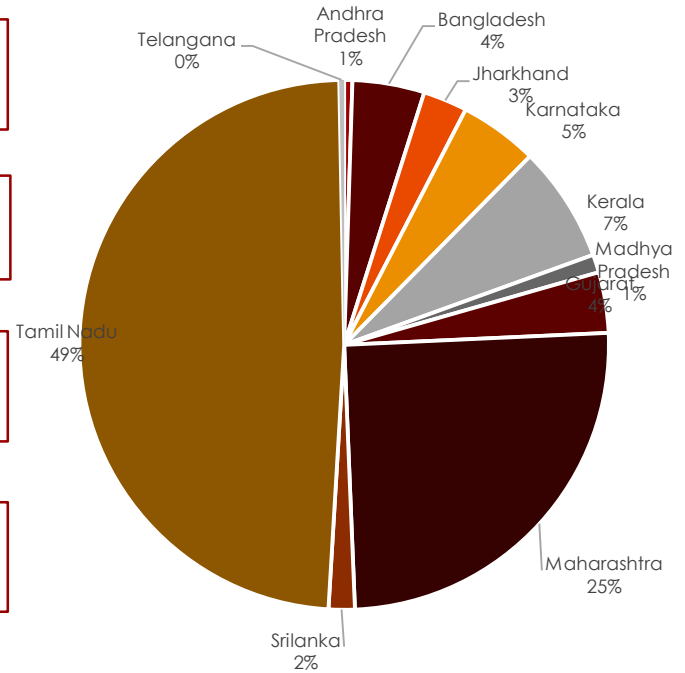
**100%**  
Govt Order Book

**INR 6.5 Bn**  
New Order Wins in H2FY19 so far

**10**  
States of Operations

**3**  
Countries of Operations

## Order Book Break up



# Key Investment Highlights

## Growing Order Book

c.2.5x in 3 years

## Short duration projects

- 3.35x Book to Bill ratio

## Strong revenue visibility

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

## Superior Revenue Growth

- 15-20% for next 2 years

## De-risked Business Profile

- 100% Government orders

## Healthy Balance Sheet

- Lower net debt on books



## Industry Overview

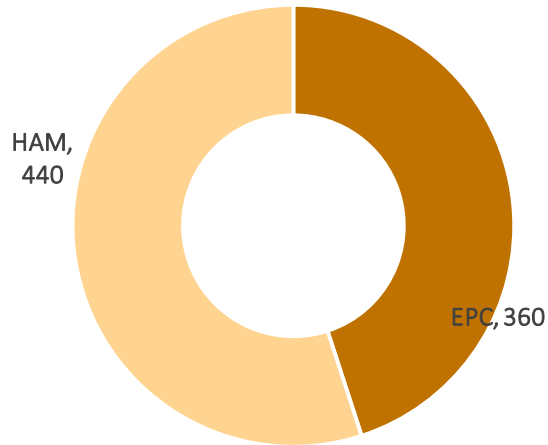


# Construction industry in India: Compelling growth drivers

- 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

## Significant Traction in NHA1 Ordering

Significant NHA1 Bid Pipeline of  
INR c.800 Bn



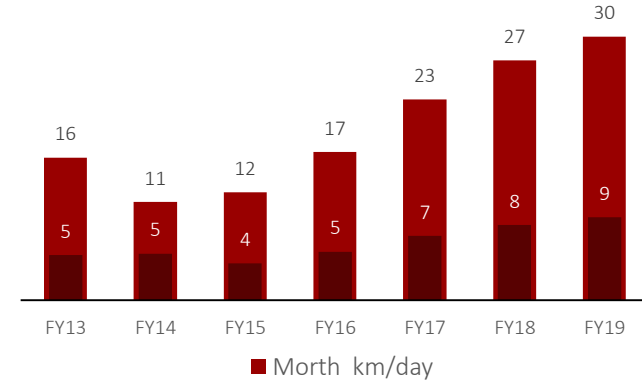
2,222 km

Highway Projects Awarded  
in FY19

3,400 km

Highway Projects  
constructed in FY19

## Highway Construction km/day



## 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

- Pradhan Mantri Gram Sadak Yojana (PMGSY), launched by GoI to provide connectivity to unconnected Habitations as part of a poverty reduction strategy
- Involves construction of about 3.71 lakh km. of roads for New Connectivity and 3.68 lakh km. under upgradation

171,041

No of Works Cleared

119,943

New Connectivity Works

51,098

Upgradation Works

148,612

Completed Road Works

599,238

Completed Length (kms)

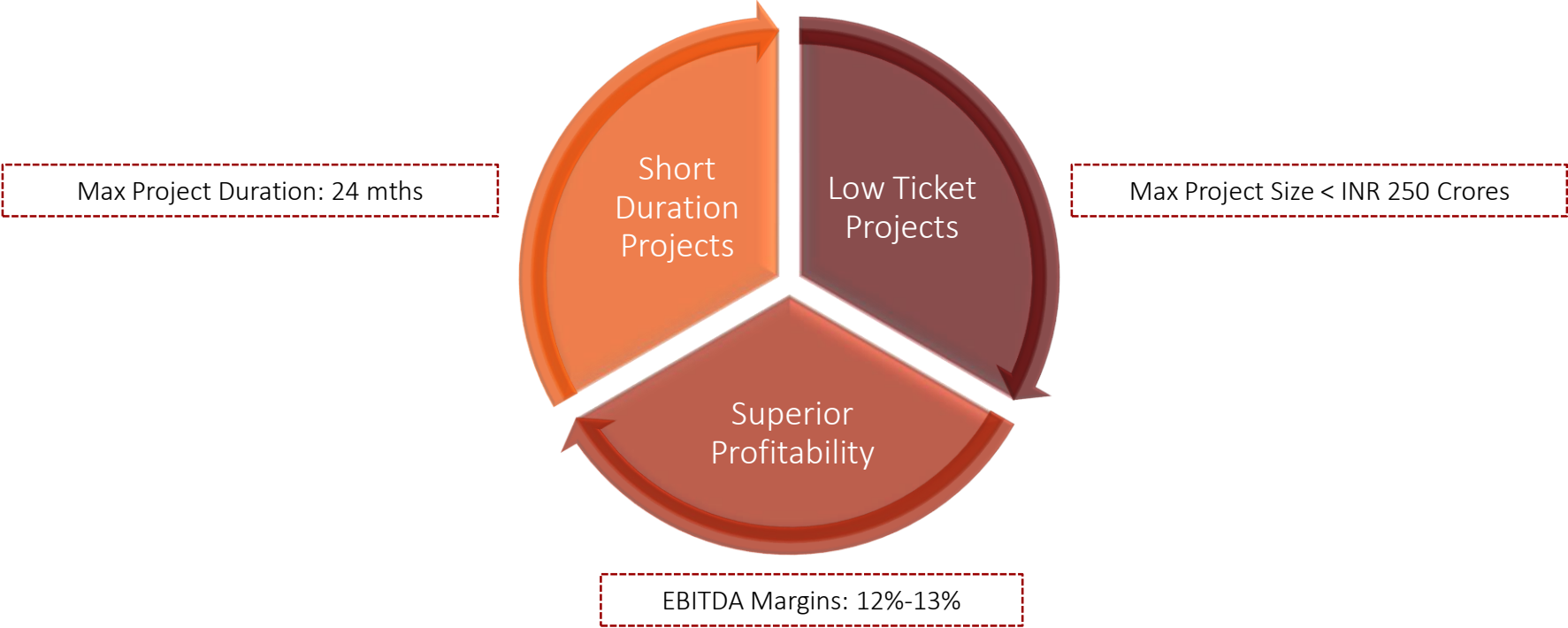
22,429

In-progress Road Works



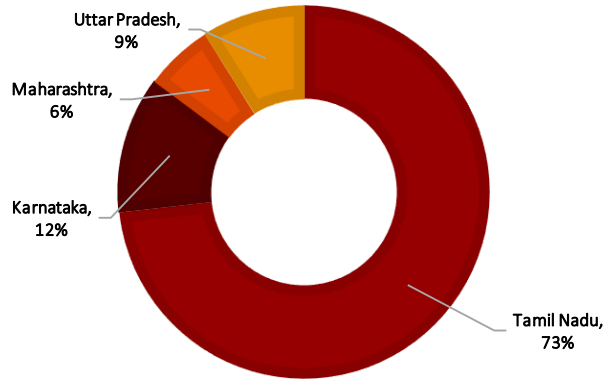
## Appendix – Business Highlights

# De-Risked Business Model

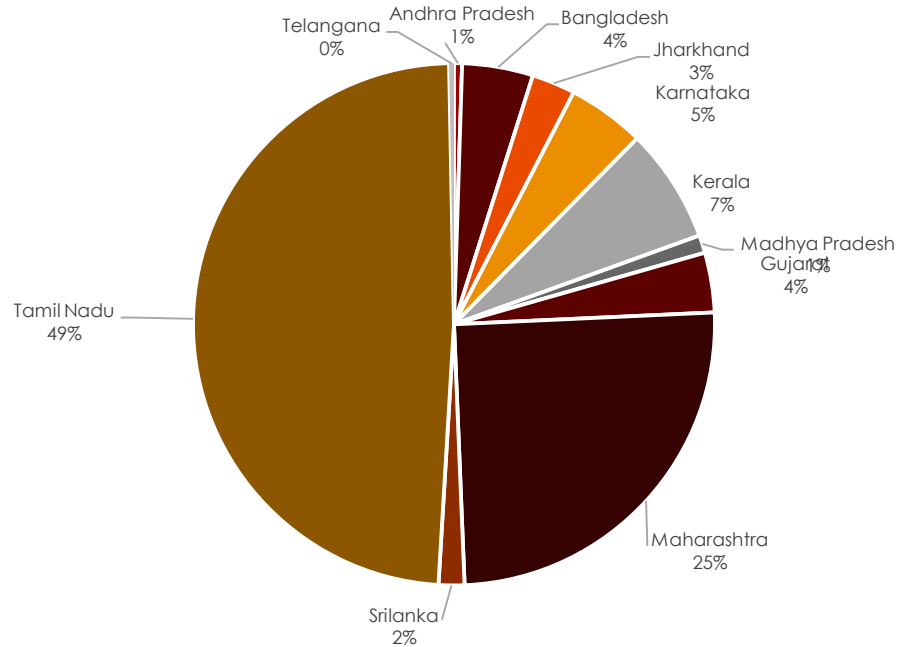


# Improving Geographical Diversification

FY14 Order Book – INR 5,360 mn

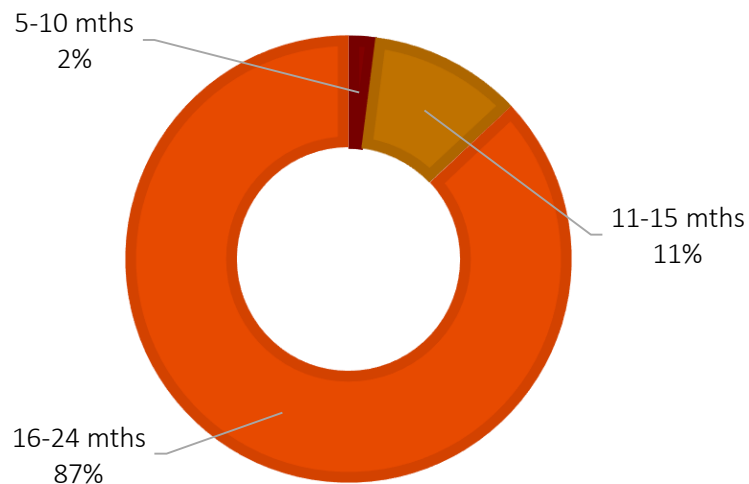


Order Book (Mar'19) – INR 19,442 Mn



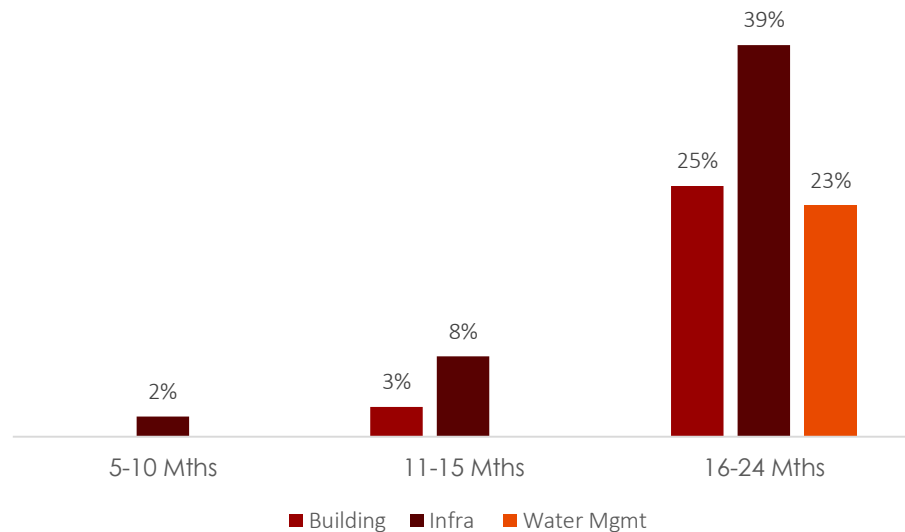
# High Revenue Visibility

Project Duration

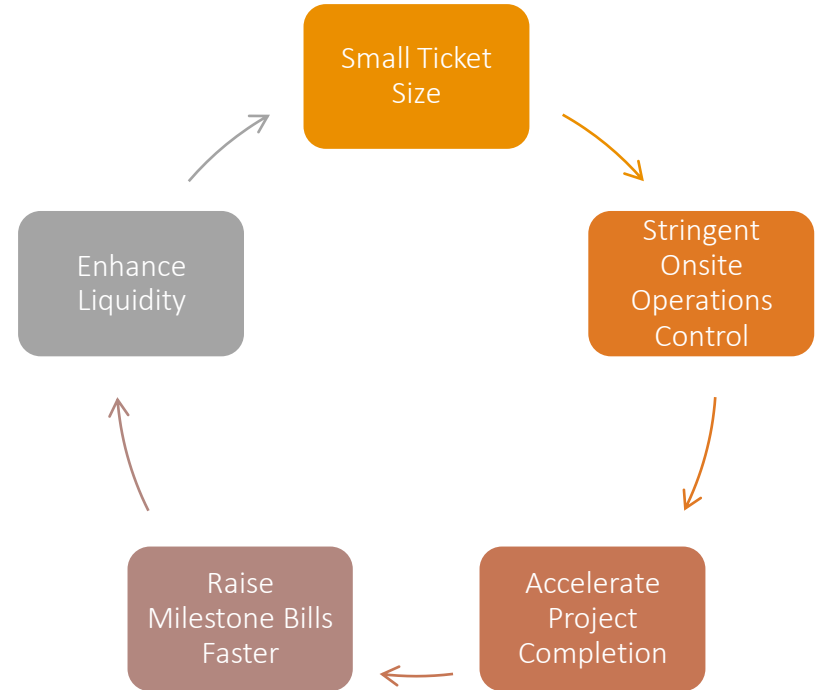
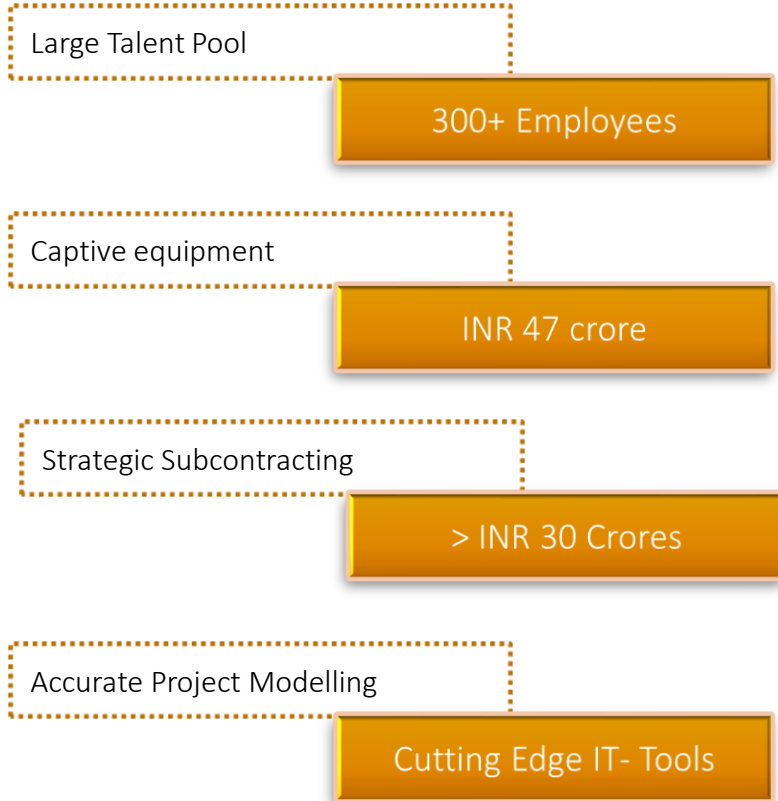


Book to bill ratio: 4.8x

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. 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

## P&L TABLE - STANDALONE

INCOME STATEMENT (INR Mn)	FY19	FY18	FY17
Revenue	5,807	4,991	3,663
Expenses	5,187	4,331	3,161
<b>EBITDA</b>	<b>620</b>	<b>661</b>	<b>502</b>
<i>EBITDA Margin</i>	<i>11%</i>	<i>13%</i>	<i>14%</i>
Depreciation	64	68	50
Finance Cost	232	186	167
Other Income	87	64	31
<b>PBT</b>	<b>410</b>	<b>471</b>	<b>316</b>
<i>PBT Margin</i>	<i>7%</i>	<i>9%</i>	<i>9%</i>
Tax Expense	167	336	77
<b>* PAT</b>	<b>243</b>	<b>135</b>	<b>239</b>
<i>PAT Margin</i>	<i>4%</i>	<i>3%</i>	<i>7%</i>

\*Reported PAT

# B/S TABLE - STANDALONE

<b>Assets</b>	<b>FY 19</b>	<b>FY 18</b>	<b>FY 17</b>	<b>Equity and Liabilities</b>	<b>FY 19</b>	<b>FY 18</b>	<b>FY 17</b>
<b>Non-Current assets</b>							
Property, plant and equipment	517	302	284	<b>Equity</b>			
Capital work in progress	39	2	40	Equity Share Capital	226	226	226
Other Intangible assets	26	1	0	Other Equity	1,866	1,645	1,524
				Total equity	2,092	1,871	1,750
<b>Financial assets</b>				<b>Non-current liabilities</b>			
Investments	6	7	10	<b>Financial liabilities</b>			
Long Term Loans & Advances	-	-	-	Borrowings	587	118	168
Deferred Tax Asset	-	22	12	Other Financial Liabilities	-	-	20
Other Non-Current Assets	22	18	5	Provisions	3	7	6
				Deferred Tax Liability (Net)	7	-	-
<b>Current assets</b>				<b>Current liabilities</b>			
Inventories	202	177	40	<b>Financial Liabilities</b>			
<b>Financial assets</b>				<b>Borrowings</b>			
Trade Receivables	1,635	1,057	2,234	Borrowings	581	628	577
Cash and Cash equivalents	484	793	402	Trade payables	1,389	973	1,394
Short Term Loans & Advances	385	395	238	Other current financial liabilities	540	943	437
Others	1,701	1,463	852	Other Current Liabilities	609	415	149
Other Current Assets	872	819	463	Short Term Provisions	23	12	1
Current Tax Assets (net)	-	-	-	Current Tax Liabilities (Net)	59	89	80
<b>TOTAL</b>	<b>5,889</b>	<b>5,056</b>	<b>4,581</b>	<b>TOTAL</b>	<b>5,889</b>	<b>5,056</b>	<b>4,581</b>

# Thank You & Contact Us

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