

Reliance Infrastructure Ltd.

Analyst Meet Presentation

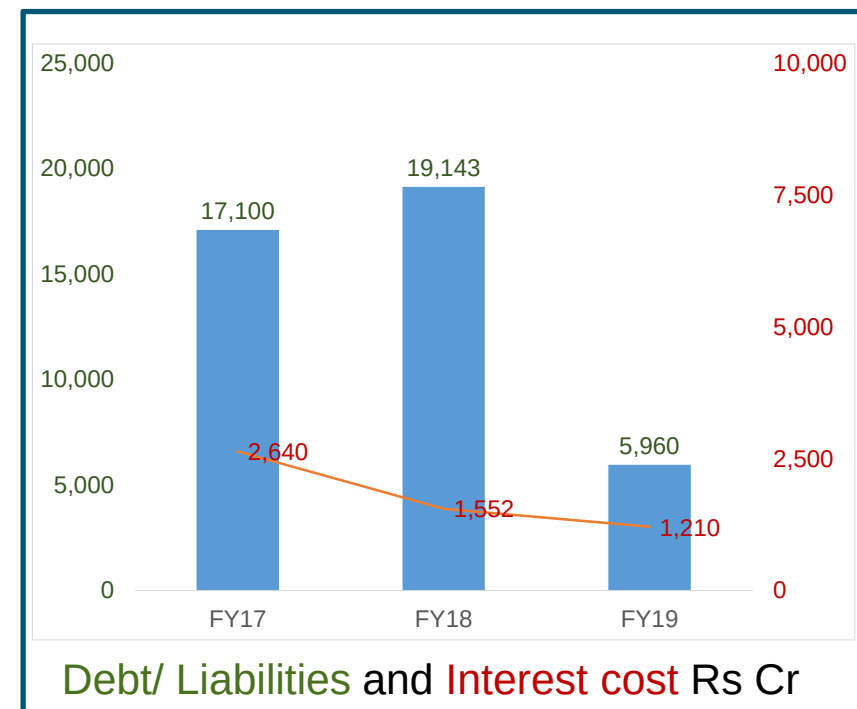
June 17, 2019

Agenda

- ❑ Towards Debt-Free Rlnfra
- ❑ Business Update
 - E&C
 - Delhi Distribution
 - Mumbai Metro
- ❑ Summary

Towards Debt-Free Rlnfra

- Stand alone debt/ liabilities reduced by nearly 70% to Rs 5,960 crore in March 2019 from Rs 19,143 cr in March 2018
- Stand alone interest cost reduced by 22% to Rs 1,210 crore in FY19 from Rs 1,552 cr in FY18
- The debt and interest cost reduction on track as per guidance in meeting on 25th February 2019 with debt of ~Rs 6,300 cr and interest cost ~Rs 1,200 cr



Rlnfra on path of Death of Debt

Towards Debt-Free Rlnfra

- Specific initiatives underway to be zero debt in next financial year or earlier based on Liquidity Events

	Initiatives	Description	Equity (Rs Cr)	Timeline
1	Road Projects	- Signed binding agreement with Cube Highways and Infrastructure III Pte Ltd. for 100% sale of Delhi Agra Toll Road for EV of Rs 3,600 cr - Balance 9-projects under various stages of monetisation	3,000	75 to 90
2	RAUA	- Regulatory Assets Under Approval of ~Rs 22,000 crore - Mumbai RAUA of ~ Rs 5,000 - Delhi RAUA of ~ Rs 17,000	22,000	Over 1 to 3 years
3	Arbitration Claims	Arbitration awards won / at advanced stages of ~ Rs 8,000 crore	8,000	Over 1 to 2 years

Rlnfra on path of Death of Debt

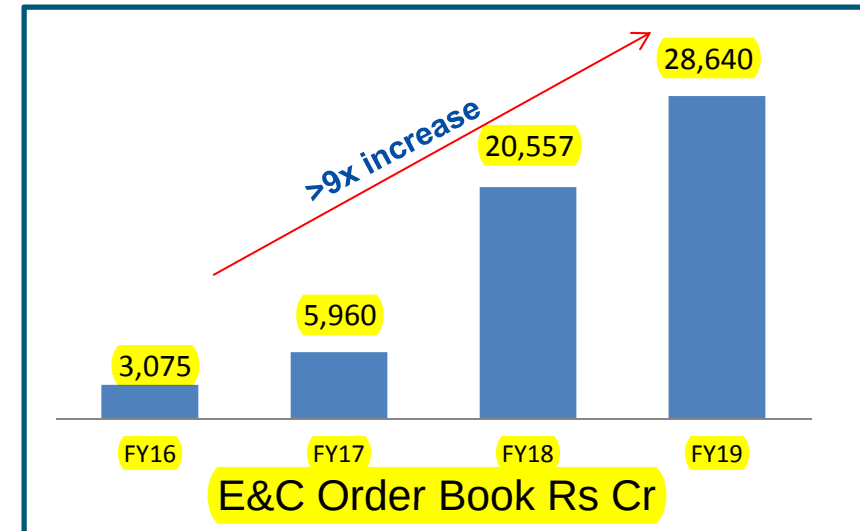
Business Update

- ❑ Over last 2 years we have moved to deleverage Balance Sheet by divestment of non core assets / long gestation projects
- ❑ We are now focused on asset light businesses with high RoE and/ or high cash-flow visibility businesses:
 - 1 E&C
 - 2 Delhi Distribution
 - 3 Mumbai Metro

Rlnfra moving from capital intensive to asset-light businesses

E&C Business : Overview

- Executed projects of over Rs 50,000 crore
- Current Orderbook of Rs 28,640 crore (>9x increase)
- Won 9 projects worth Rs 23,000 crore in last 2 years in competitive bidding



Top 5 E&C companies in India

	284,000
	34,185
	28,640
	23,100
	9,540

Marquee customers



Executed projects in power and urban transportation sectors

E&C Business : Marquee Projects

□ Key Projects Won :

Project Name	Sector	Project Cost (Rs crore)
Versova Bandra Sea Link	Road	7,000
Integrated LNG Terminal & Power Project in Bangladesh	Power	5,000
Mumbai Nagpur Expressway (Package 7)	Road	1,900
Mumbai Metro line 4 (3 out of 5 packages)	Metro Rail	1,600
Kudankulam Nuclear Power Project (BOP – Unit 3 & 4)	Power	1,100
Hirasar Project in Rajkot, Gujarat	Airports	650

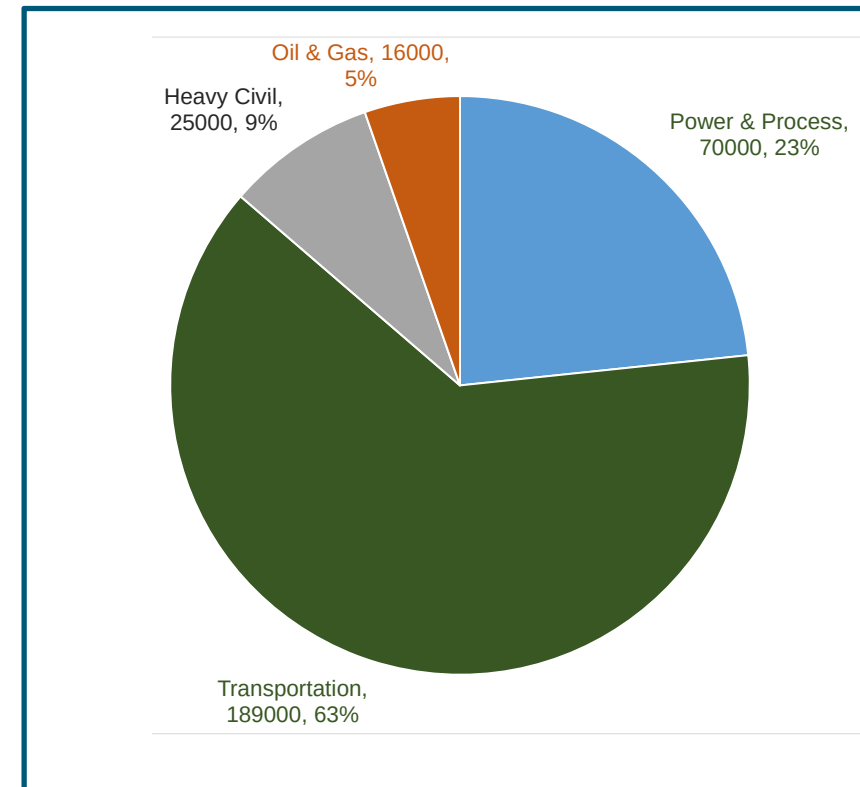
□ Strategic alliance with international majors to execute projects :

- Astaldi (Italy), SEC (China), NMDC (UAE), CAI (Ukraine), Gulermark (Turkey)

Targeting high value projects

E&C Business : Opportunities

- ❑ Targeting opportunities of ~Rs 300,000 crore in FY20
- ❑ Bids participation in projects of Rs 100,000 crore in FY20
- ❑ Poised to build order book of Rs 50,000 crore from Rs 28,640 crore
- ❑ Focus on following sectors :
 1. Power & Process Infra : Nuclear Power, FGD, Water Infra
 2. Heavy Civil Infra : Coastal Roads, Bridges & Tunnels
 3. Transport : Bullet Train, Roads, Railways & Metro Rail



No hyper competition due to very large opportunity size

Delhi Distribution Business

- ❑ Over 1.3 lakh new households added in FY19
- ❑ Now serving over 42 lakh households with 100% power reliability
- ❑ Revenue ~Rs 15,200 crore; EBITDA ~Rs 3,300 crore
- ❑ High growth rate of 6%
- ❑ T&D loss substantially reduced from 57% to sub 9% - India avg. T&D loss is >20%
- ❑ Debt reduced substantially to ~Rs 1,500 crore – >80% reduction since peak debt
- ❑ Conservatively financed with Debt: EBITDA of 0.5x
- ❑ Credit Rating: BRPL : BBB (CARE) and BYPL : BBB- (CARE)

BSES

Rs Cr	FY18	FY19	Change
Revenue	14,273	15,200	6%
EBITDA	2,710	3,289	21%
EBITDA margin	19%	22%	
Debt (approx.)	1,500	1,500	

Strong operational cashflows to fund future growth-No equity needed

Delhi Distribution-Comparison with Tata Power

Particulars	BSES	Tata Power (Delhi)
Area (Sq. km)	950	510
Customer Base (Mn)	4.27	1.64
Peak Demand (MW)	4,550	1,967
Energy Billed (Mu)	18,180	8,870
T&D Loss (%)	8.8%	8.2%
Turnover (Rs crore)	15,200	7,890
EBITDA (Rs crore)	3,289	1,200
Regulated Equity (Rs crore)	1,518	1,403
Regulated Assets (Rs crore)	27,600	4,579

Efficiently servicing ~70% of Delhi Distribution area

Delhi Distribution – Regulatory Assets

- ❑ 75% of total unapproved RA is likely to be recognised by FY20
- ❑ This will sufficiently cover the balance outstanding of Genco's (Rs 14,300 crore) and provides for potential cash surplus of Rs 6,500 crore (51% holding)

Particulars	Rs crore	Remarks
Total Regulatory Assets	27,600	
Approved by Regulator (DERC)	7,200	• Regulator started giving cost reflective tariff (FY12) • 8% surcharge recovery allowed along with interest cost @ 14% - Already recovered Rs 10,500 crore • Recovery utilised to pay off debt and Gencos overdues
Advanced Stages of Approval	20,400	• Supreme Court : Rs 12,900 crore (Approved by ATE) • DERC : Rs 2,100 crore (Approved by ATE) • ATE : Rs 5,400 crore

Mumbai Metro Business

- ❑ Only East to West rail connectivity in Mumbai-Total investments of Rs 4,000 crore
- ❑ Successfully completed 5 years
- ❑ More than 54 crore passengers since June 2014
- ❑ Average daily ridership of 4.5 lakh commuters with Peak ridership of 5.2 lakh commuters per day
- ❑ No capex required for next 3 years for current train capacity : 6 lakh commuters/day
- ❑ Concession period till 2043 with 25 years remaining period
- ❑ EBITDA of ~Rs 150 crore - EBITDA will cover interest from next year i.e. FY20



Rs Cr	FY18	FY19	Change
Revenue	291	330	13%
EBITDA	130	166	28%
EBITDA margin	45%	50%	

Ridership to increase in next 3 years on completion of new inter-connecting lines

Key Financials (Consolidated)

- Total income up 6% to Rs 21,910 crore in FY19 vis-à-vis Rs 20,612 cr in FY18
- Total EBITDA up 7% to Rs 6,792 crore in FY19 vis-à-vis Rs 6,341 cr in FY18
- PAT at Rs 1,084 cr in FY19 compared to only Rs 34 crore in FY18; up ~3100%
- Post one time exceptional items, one time consolidated net loss of Rs 2,427 crore in FY19

All figures in Rs crore

Particulars	FY19	FY18	Change %
Revenue	21,910	20,612	6%
EBITDA	6,792	6,341	7%
PAT (before one-time Exceptional Items)	1,084	34	3088%
PAT (Post one-time Exceptional Items)	(2,427)	1,256	-

Summary

1. RInfra on path to Death of Debt with stand alone debt less than **Rs 6,000 crore** as on 31st March 2019 – aim to be zero debt in next financial year or earlier based on Liquidity Events
2. Signed binding agreement with Cube Highways and Infrastructure III Pte Ltd. for 100% sale of Delhi Agra Toll Road and balance 9-projects under various stages of monetization to realise equity value of **~Rs 3,000 crore**
3. Final Adjudication orders awaited on claims of over **~Rs 30,000 crore** to make Company cash-rich
4. Ongoing businesses of E&C, Delhi Distribution and Mumbai Metro are asset light with high RoE and/ or high cash-flow visibility businesses

Thank You