KEC International Limited

Investor Presentation – Q4FY21

11 May 2021

Power T & D | Railways | Civil | Cables | Solar | Smart Infra | Oil & Gas Pipelines

An RPG Company

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RPG Group: Powered by Passion, Driven by Ethics

UNLEASH**TALENT**
TOUCH**LIVES**
OUT**PERFORM**
AND

RPG Enterprises was founded in 1979. The group currently operates in various industries - Infrastructure, Technology, Life Sciences, Plantations and Tyre Manufacturing. The group has a history of business dating back to 1820 AD in banking, textiles, jute and tea. The Group grew in size and strength with several acquisitions in the 1980s and 1990s. KEC became a part of the RPG Group in 1982, which is now one of India’s fastest growing conglomerates with 20,000+ employees, presence in 100+ countries and annual gross revenues of over $4 Bn.

KEC International

World leader in Power Transmission EPC space

CEAT

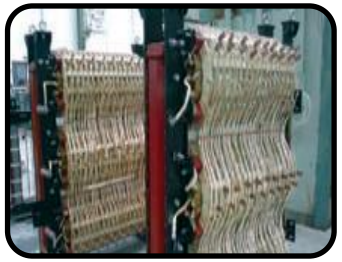
One of India’s leading manufacturer of automobile tyres

Zensar Technologies

Software services provider spread across 20 countries, 400+ customers.

RPG Life Sciences

Pharma company with wide range medicines in global generics and synthetic APIs.



Raychem RPG

Engineering products and services catering to infrastructure segment of the economy.

Harrisons Malayalam

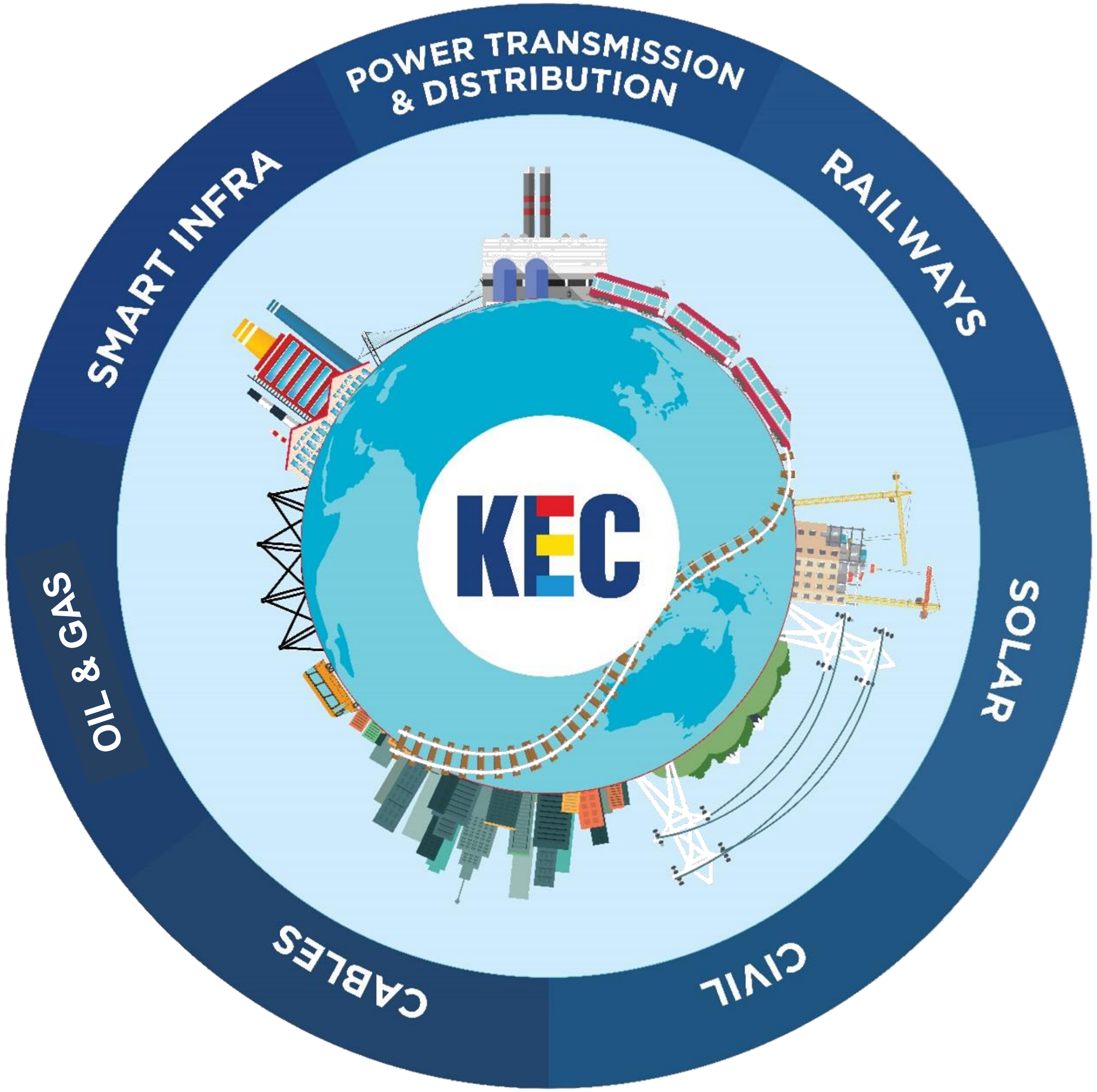
One of India’s largest plantation companies with tea, rubber and other agro products.

KEC International : Building Infrastructure for the World of Tomorrow

7+ DECADES OF EXPERIENCE & EXPERTISE

FOOTPRINT IN **100+** COUNTRIES

ONGOING PROJECTS IN **30+** COUNTRIES



9,000+ EMPLOYEES

$1.8 BILLION GLOBAL EPC MAJOR

40%+ BUSINESS OVERSEAS

Board of Directors

H. V. Goenka
Chairman, Non Executive Director

Vimal Kejriwal
Managing Director & CEO

A. T. Vaswani
Non Executive Independent Director

D. G.Piramal
Non Executive Independent Director

G. L. Mirchandani
Non Executive Independent Director

M.S. Unnikrishnan
Non Executive Independent Director

Nirupama Rao
Non Executive Independent Director

R. D. Chandak
Non Executive Independent Director

S. M. Trehan
Non Executive Independent Director

Vikram Gandhi
Non Executive Independent Director

Management Team

Vimal Kejriwal
Managing Director & CEO

Rajeev Agarwal
Chief Financial Officer

Anand Kulkarni
Executive Director – Business Operations

Somraj Roy
Chief Human Resources Officer

Neeraj Nanda
President – South Asia (T&D, Solar & Smart Infra)

Sanjeev Agarwal
Executive Director – International (T&D, Solar)

Kaushal Kodesia
Executive Director – Railways

Nagesh Veeturi
Executive Director – Civil

Manjit Singh Sethi
Executive Director – Cables

Gustavo Cedeno
Chief Executive Officer – SAE Towers

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Key Performance Highlights – FY21 & Q4 FY21 (1/2)

Highlights for FY21 v/s FY20

- **Revenue** for FY21 stands at Rs. 13,114 Cr – **Growth of 10%**
- **EBITDA Margin** at 8.7% against 10.3%
  (**Standalone EBITDA Margin** at 10.4% against 10.8%)
- **Interest cost** as % to sales improves to 2.0% from 2.6%
- **PBT Margin** at 5.8% against 6.6%
- **Tax Rate** at 26.9% against 28.4%
- **PAT Margin** at 4.2% against 4.7%

Highlights for Q4 FY21 v/s Q4 FY20

- **Revenue** for Q4 FY21 stands at Rs 4,361 Cr – **Growth of 19%**
- **EBITDA Margin** at 8.1% against 10.1%
  (**Standalone EBITDA Margin** at 10.0% against 10.2%)
- **Interest cost** as % to sales improves to 1.4% from 1.8%
- **PBT Margin** at 6.1% against 7.3%
- **Tax Rate** at 26.9% against 28.3%
- **PAT Margin** at 4.5% against 5.3%

Key Performance Highlights – FY21 & Q4 FY21 (2/2)

- **FY21 Order Intake** stands at Rs. 11,876 Cr – **Growth of 5%**
  - **Strengthened presence in India with significant orders of ~Rs. 1,500 Cr from PGCIL -** Green Energy Corridor under TBCB route
  - **Significant traction in International T&D** with large orders in Middle East and Africa
  - **Railways expanded its portfolio** in the technologically enabled/ emerging growth areas of Metros, DFCC and High-speed trains
  - **Civil diversified in new growth areas** with breakthrough orders in the Water Pipeline, Hydrocarbon, Warehouse, Chemical and FGD (Flue Gas Desulfurisation) segments; L1 in Airports
  - **Smart Infra** forayed in the Defence segment
- **Robust Order book + L1 Pipeline of over Rs. 25,000 Cr**

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Profit & Loss Highlights (Consolidated)

(₹ crore)

Particulars	FY21	FY20	Growth (Y-o-Y)	Q4 FY21	Q4 FY20	Growth (Y-o-Y)
Revenues	**13,114**	**11,965**	**10%**	**4,361**	**3,671**	**19%**
EBITDA	**1,141**	**1,234**	**-8%**	**355**	**371**	**-4%**
EBITDA Margins	***8.7%***	***10.3%***		***8.1%***	***10.1%***	
(+) Other Income	**30**	**11**		**12**	**3**	
(-) Depreciation	**153**	**147**		**38**	**39**	
(-) Interest	**263**	**308**	**-15%**	**63**	**65**	**-3%**
Interest as % to sales	***2.0%***	***2.6%***		***1.4%***	***1.8%***	
PBT	**756**	**790**	**-4%**	**266**	**269**	**-1%**
PBT Margins	***5.8%***	***6.6%***		***6.1%***	***7.3%***	
Tax	**203**	**225**		**71**	**76**	
Tax Rate %	***26.9%***	***28.4%***		***26.9%***	***28.3%***	
PAT	**553**	**566**	**-2%**	**194**	**193**	**1%**
PAT Margins	***4.2%***	***4.7%***		***4.5%***	***5.3%***	

Businesswise Revenue Performance

(₹ crore)

Business Verticals	FY21	FY20	Growth (Y-o-Y)	Q4 FY21	Q4 FY20	Growth (Y-o-Y)
T&D:	**7,636**	**8,175**	**-7%**	**2,323**	**2,462**	**-6%**
- T&D (KEC)	6,491	6,636	-2%	2,081	2,018	3%
- SAE Towers	1,146	1,539	-26%	241	444	-46%
Non-T&D:	**5,752**	**4,032**	**43%**	**2,125**	**1,281**	**66%**
- Railways	3,409	2,551	34%	1,200	861	39%
- Civil	1,080	376	187%	498	172	190%
- Cables	1,062	979	9%	349	217	61%
- Others #	201	126	59%	78	32	148%
Inter SBU:	**(274)**	**(242)**	**13%**	**(87)**	**(72)**	**20%**
Total Net Sales	**13,114**	**11,965**	**10%**	**4,361**	**3,671**	**19%**
T&D Share	56%	66%		51%	65%	
Non-T&D Share	44%	34%		49%	35%	

Others include Solar and Smart Infra

Borrowings & Working Capital

(₹ crore)

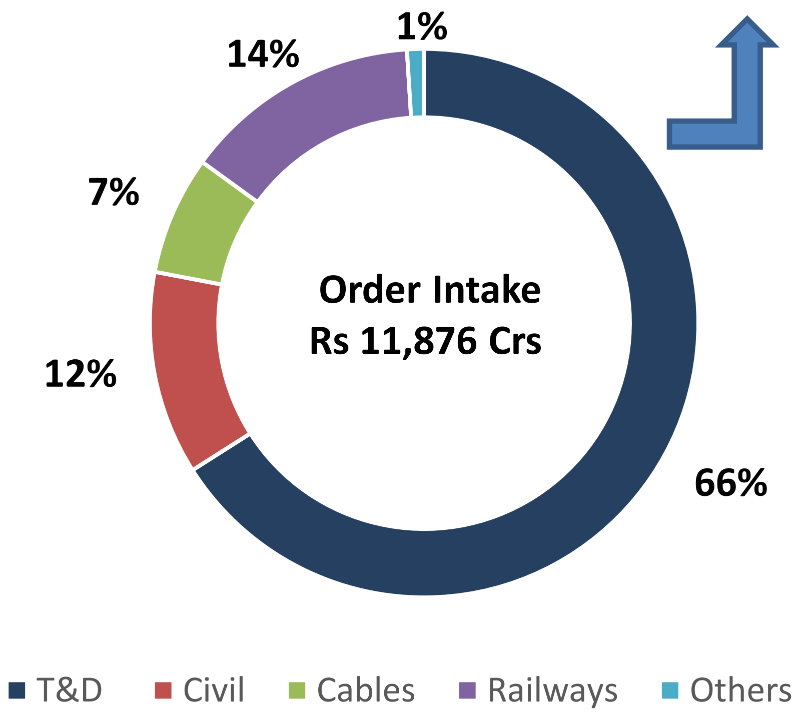
Particulars	31-Mar-21	31-Mar-20	Increase/ (Decrease)	31-Dec-20	Increase/ (Decrease)
I) Net Debt	1,679	2,216	(537)	2,644	(965)
II) Interest Bearing Acceptances	1,526	1,111	415	1,098	428
Total (I + II)	**3,205**	**3,327**	**(122)**	**3,742**	**(537)**

- **Reduction in Net Debt + Interest Bearing Acceptances** in Mar’21 against Mar’20 as well as Dec’20
- **Average Borrowing level for FY21** continues to be largely in line with the target of ~Rs 2,500 Cr
- **Net Working Capital (NWC)** brought down to 112 days as on 31st Mar’21 against 119 days on 31st Mar’20 and 144 days on 31st Dec’20
  - Judicious monitoring of cash flows and focus on collection of high value receivables
  - Concerted efforts on expediting commercial closure of projects

Order Intake & Order Book

Order Intake FY21

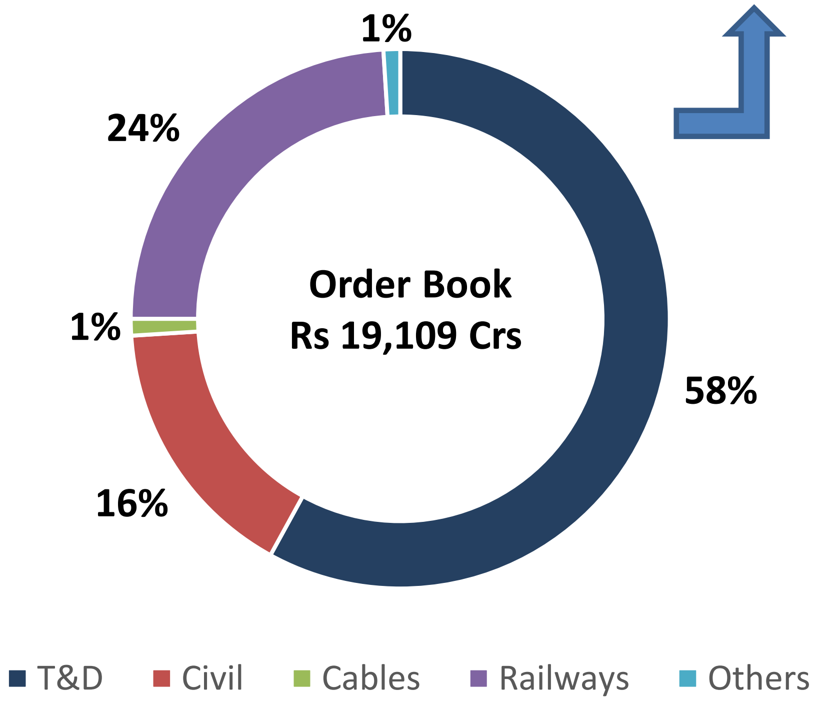
T&D : 58%	SAE : 8%



Domestic : 56%	International : 44%

Mar’21 Order Book

T&D: 55%	SAE : 3%



Domestic : 62%	International : 38%

*Order intake of Rs 446 Cr received in YTD FY22 not included above

Order Book + L1 of Over Rs 25,000 Crs

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Our Commitment to ESG

KEC is committed to delivering excellence and outperformance with unwavering focus on embedding sustainable practices towards improving Environment, Society, Safety and Governance

Strategic ESG Pillars

Unleash Talent	Enabling environment for people to unleash their entrepreneurial spirit and realise their full potential
Touch Lives	To understand, care and make a meaningful difference to customers, employees, society & all stakeholders
Outperform	Sustained & clear outperformance relative to all our competitors & industry on financial and non-financial metrics that matter
	To have fun by creating high-energy environment with a keen sense of belonging and smiling faces everywhere

ESG Focus Areas

- Human Capital Management
- Diversity & Inclusion
- Occupational Health & Safety
- Quality and Service Delivery
- Customer Centricity
- Local Community Development
- Financial Performance
- Digitalization and Innovation
- Circularity
- Water-Positive Approach
- Decarbonization
- Sustainable Procurement
- Corporate Governance

Major ESG Goals

Human Capital Management
Nurture a workplace that encourages overall growth, development and well-being of employees & contractual workforce

Diversity & Inclusion
Foster an inclusive workplace which ensures fairness and equal opportunity for everyone at KEC

Occupational Health and Safety
Creating a safe and harm-free work environment that promotes the physical and mental well-being of all employees at KEC

Quality and Service Delivery
Deliver world class quality products and services catering to our customers' diverse needs

Digitalization & Innovation
Creating value for customers through delivery of world class products and services

Circularity
Zero waste to landfill by 2026

Water-Positive Approach
Reduce water footprint to preserve and enhance natural capital

Decarbonization
Implementing a decarbonization roadmap to preserve and enhance natural capital

Sustainable Procurement
Integrate ESG considerations in our supply chain

Corporate Governance
Timely disclosures, transparent policies & an independent Board protecting the shareholders' interest while maximizing long term corporate values

THANK YOU

Follow us on:

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