KEC International Limited

Q2 FY14 Results

Investor/Analyst Presentation

October 25th, 2013

Disclaimer

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events and involves known and unknown risks, uncertainties and other factors. The Company cannot guarantee that these assumptions and expectations are accurate or exhaustive or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. No obligation is assumed by the Company to update the forward-looking statements contained herein.

The information contained in these materials has not been independently verified. None of the Company, its Directors, Promoter or affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this document or its contents or otherwise in connection with this document, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this document or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The information and opinions contained in this presentation are current, and if not stated otherwise, as of the date of this presentation. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness. The Company undertake no obligation to update or revise any information or the opinions expressed in this presentation as a result of new information, future events or otherwise. Any opinions or information expressed in this presentation are subject to change without notice.

This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of KEC International Limited (the “Company”), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or to be relied in connection with an investment decision in relation to the securities of the Company therefore any person/ party intending to provide finance / invest in the shares/businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision. Neither the delivery of this document nor any further discussions by the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date. This presentation is strictly confidential and may not be copied or disseminated, in whole or in part, and in any manner or for any purpose. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

Performance Highlights

Q2 FY14 v/s Q2 FY13

↑ **6.6%**

Net Sales
₹ 1,778 cr.

↑ **30.4%**

EBITDA
₹ 112 cr.

↑ **34.0%**

Net Profit
₹ 22 cr.

↑ **8.7%**

Order Book
₹ 10,200 cr.

↑ **19.6%**

Order Intake
₹ 1,758 cr.

↓ **9 Days**

Net Working Capital
89 days

Profit & Loss Highlights (Consolidated)

(₹ crore)

Particulars	Q2 FY14	Q2 FY13	Growth (Y-o-Y)		H1 FY14	H1 FY13	Growth (Y-o-Y)
Net Sales	1,778	1,668	6.6%		3,524	3,032	16.2%
EBITDA	112	86	30.4%		200	189	5.8%
EBITDA Margins (%)	6.3%	5.1%			5.7%	6.2%	
Finance Costs	65	44	45.9%		124	84	46.3%
Finance Cost (% of net sales)	3.6%	2.7%			3.5%	2.8%	
PBT (Excluding VRS expenses)	31	29	6.7%		50	83	-40.2%
Taxes (Excluding tax rebate on VRS)	9	13	NA		24	33	NA
PAT (Excluding VRS expenses)	22	16	34.0%		25	50	-49.2%
VRS expenses* (Net of taxes of ₹6.17 cr.)	0	0	NA		12	0	NA
PAT (Including VRS expenses)	22	16	34.0%		13	50	

** VRS expenses were incurred in Q1FY14*

Balance Sheet (Consolidated)

(₹ crore)

Particulars	Period Ending			Change	
	Q2 FY14	Q2 FY13	Q1 FY14	Y-o-Y	Q-o-Q
Net Worth	1,169	1,140	1,141	29	27
Gross Debt	2,041	1,886	1,803	155	237
Deferred Tax Liability (Net)	65	50	56	15	9
Total	**3,275**	**3,076**	**3,001**	**199**	**274**
Net Fixed Assets (Including Goodwill)	1,447	1,308	1,392	139	55
Receivables	4,067	3,152	3,785	915	282
Other assets (Current / Non Current)	1,596	1,494	1,554	102	42
Gross Working Capital	5,663	4,646	5,339	1,017	324
(-) Liabilities & Provisions (Current / Non Current)	3,835	2,878	3,730	957	105
Net Working Capital	1,828	1,768	1,609	60	219
Total	**3,275**	**3,076**	**3,001**	**199**	**274**
Accounts Receivable (days)	199	175	188	24	11
Gross Working Capital (days)	277	258	265	19	12
Net Working Capital (days)	89	98	80	-9	9

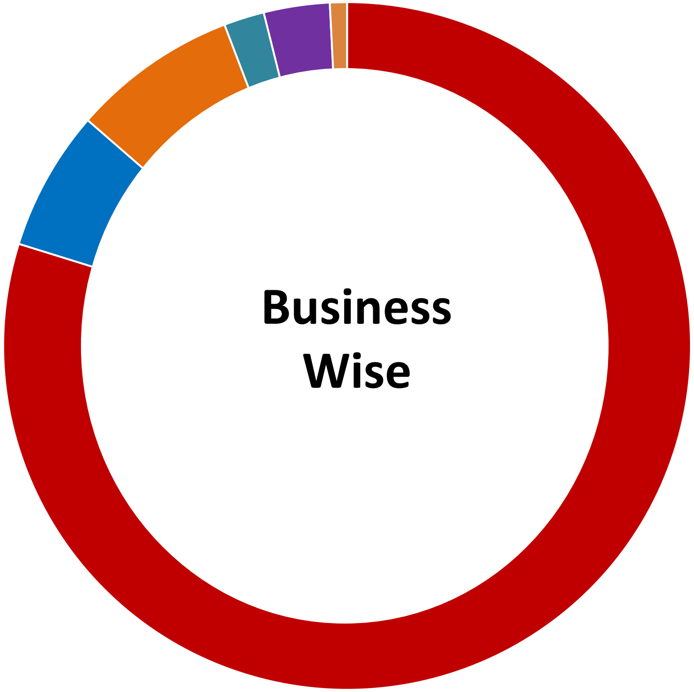
Net Sales – Business wise Breakup

(₹ crore)

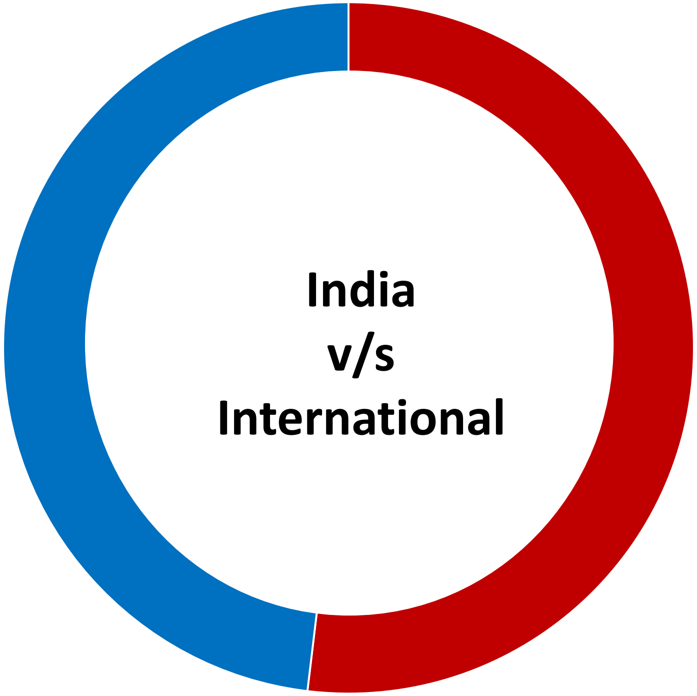
Business Verticals	Q2 FY14	Q2 FY13	Growth (Y-o-Y)	H1 FY14	H1 FY13	Growth (Y-o-Y)
Transmission - South Asia	606	411	47.4%	1,141	721	58.2%
Transmission - International	629	481	30.8%	1,077	895	20.4%
Transmission - SAE	184	270	-31.6%	409	547	-25.2%
Power systems	117	267	-56.2%	429	430	-0.4%
Cables	138	137	0.1%	266	234	13.7%
Telecom	34	30	13.3%	60	52	16.6%
Railway	55	61	-9.0%	74	115	-35.9%
Water	14	11	35.0%	69	39	77.1%
Total Net Sales	**1,778**	**1,668**	**6.6%**	**3,524**	**3,032**	**16.2%**

Sales Breakup – Q2 FY14

₹ 1,778 crore



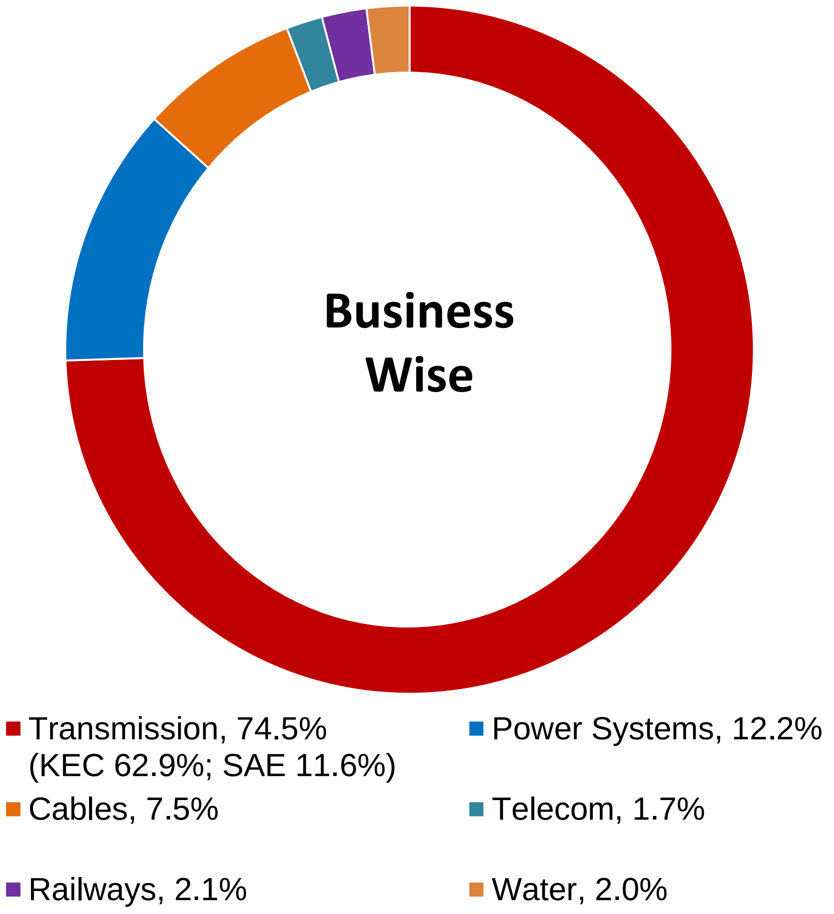
- 🟥 Transmission, 79.8% (KEC 69.4%; SAE 10.4%)
- 🟦 Power Systems, 6.6%
- 🟧 Cables, 7.8%
- 🟦 Telecom, 1.9%
- 🟪 Railways, 3.1%
- 🟧 Water, 0.8%

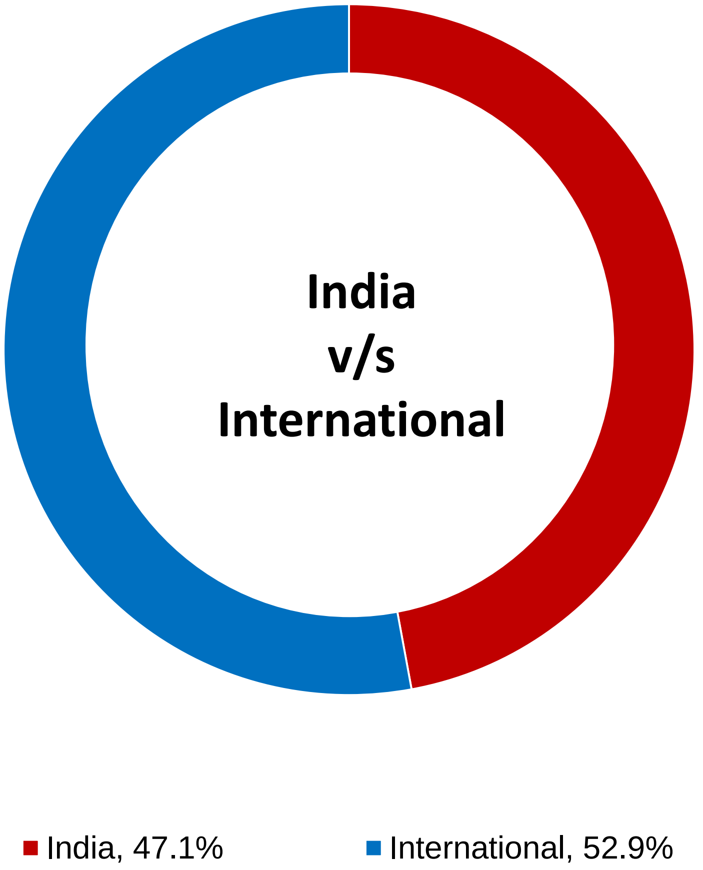


- 🟥 India, 51.9%
- 🟦 International, 48.1%

Sales Breakup – H1 FY14

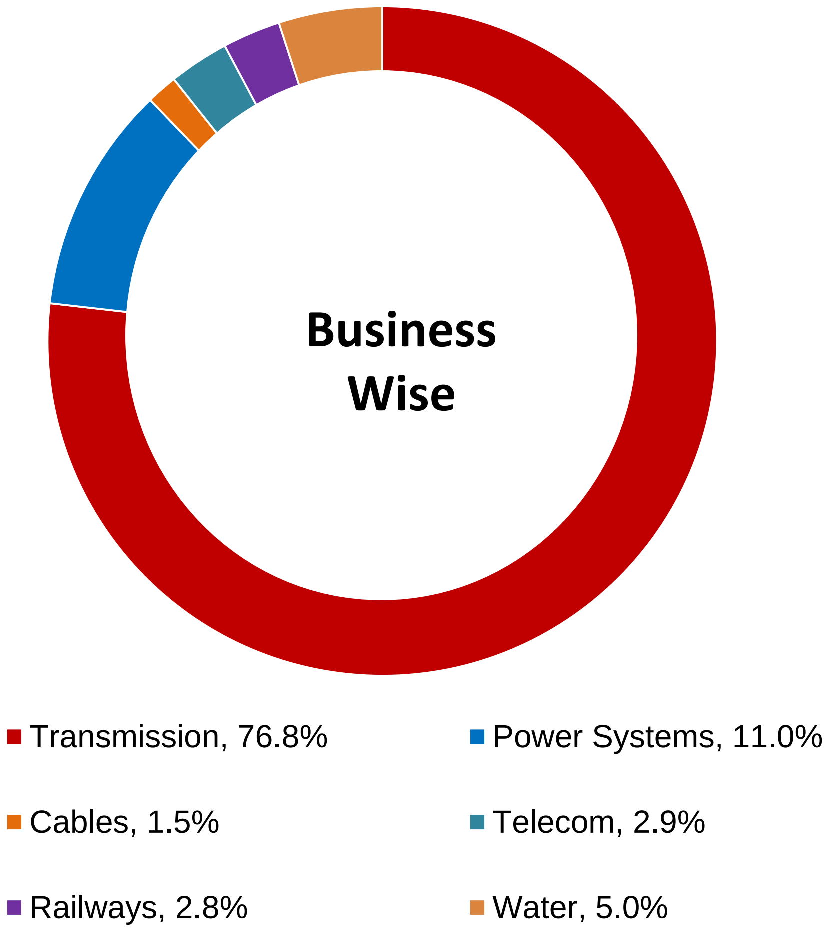
₹ 3,524 crore

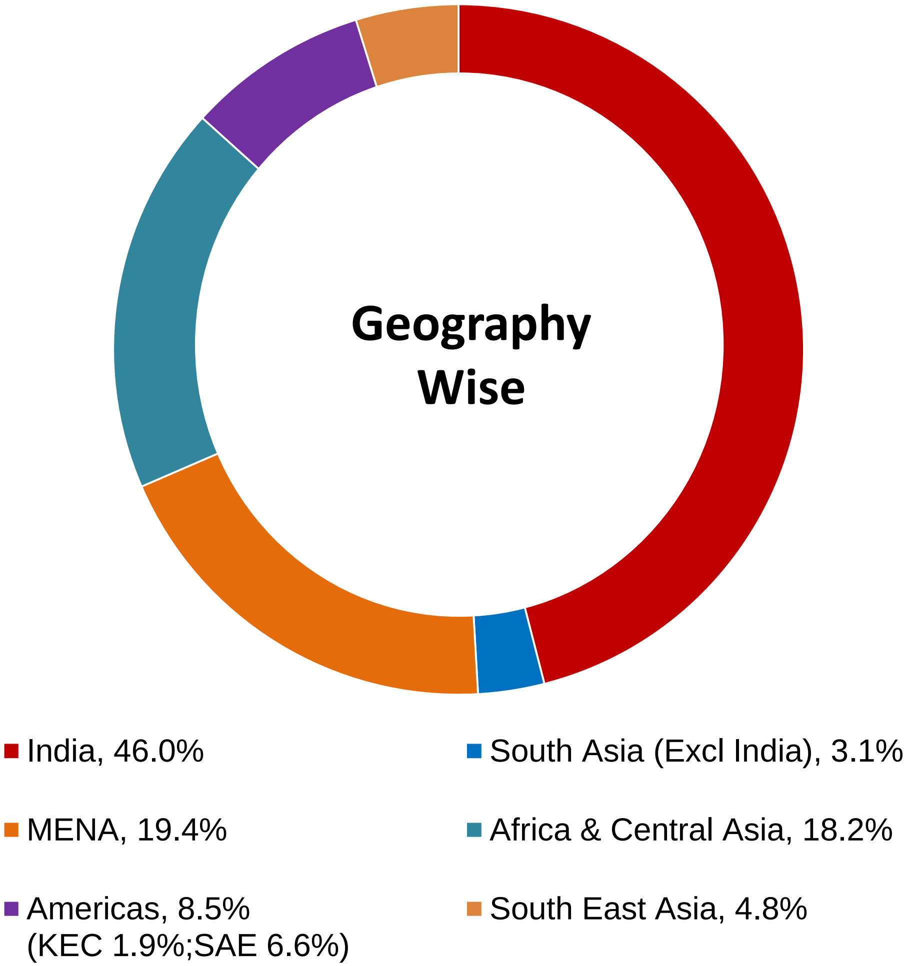




Order Book Breakup

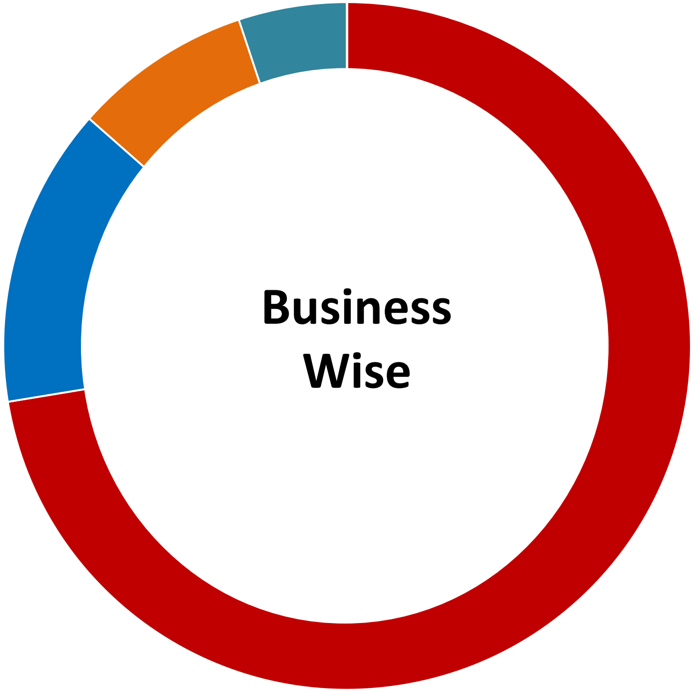
Robust and Diversified Order Book – ₹ 10,200 crore



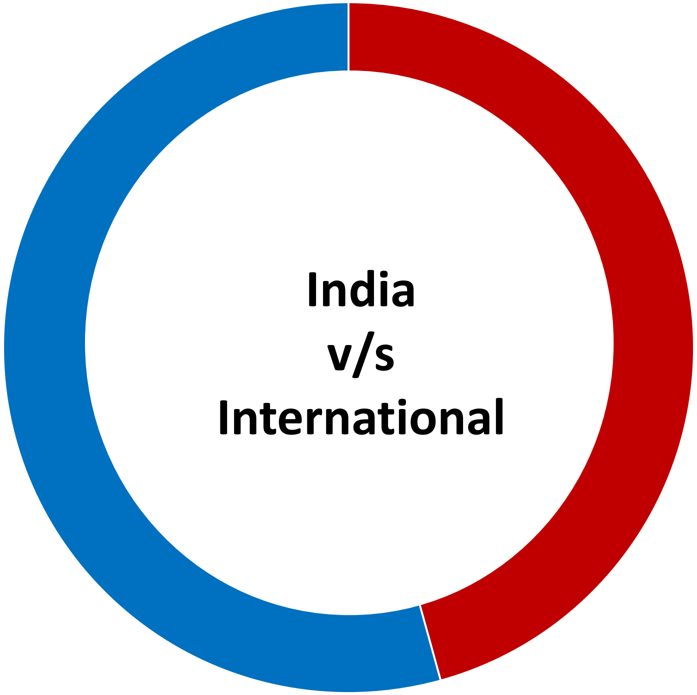


Order Intake Breakup – Q2 FY14

₹ 1,758 crore



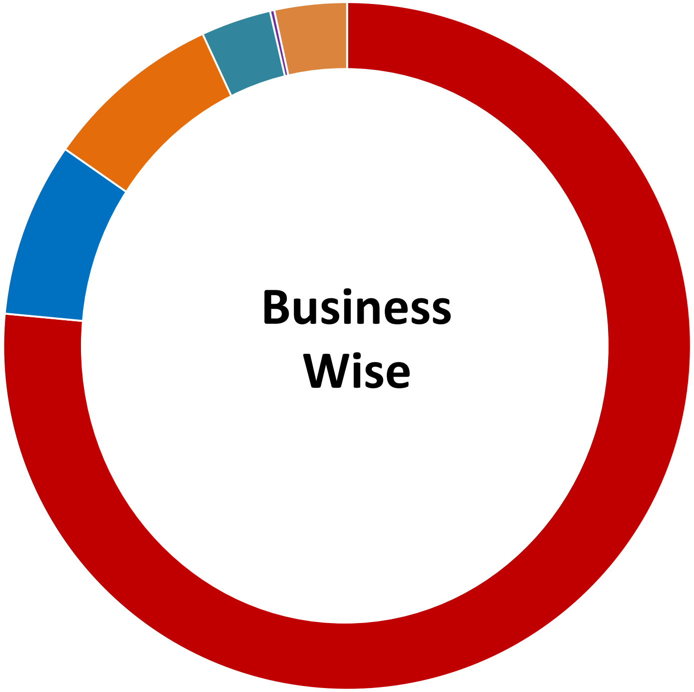
- Transmission, 72.4 % (KEC 60.9% ; SAE 11.5%)
- Power Systems, 14.1%
- Cables, 8.4%
- Telecom, 5.1%
- Railways, 0.0%
- Water, 0.0%



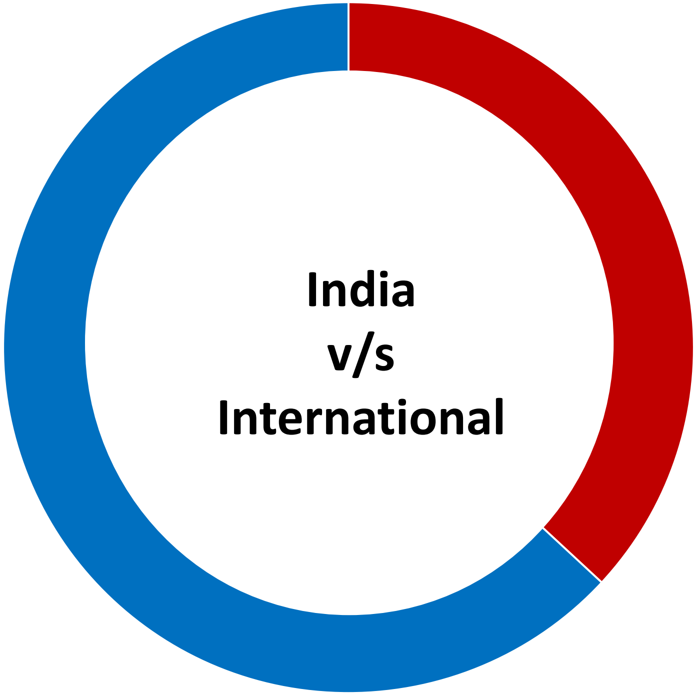
- India, 45.7%
- International, 54.3%

Order Intake Breakup – H1 FY14

₹ 3,942 crore



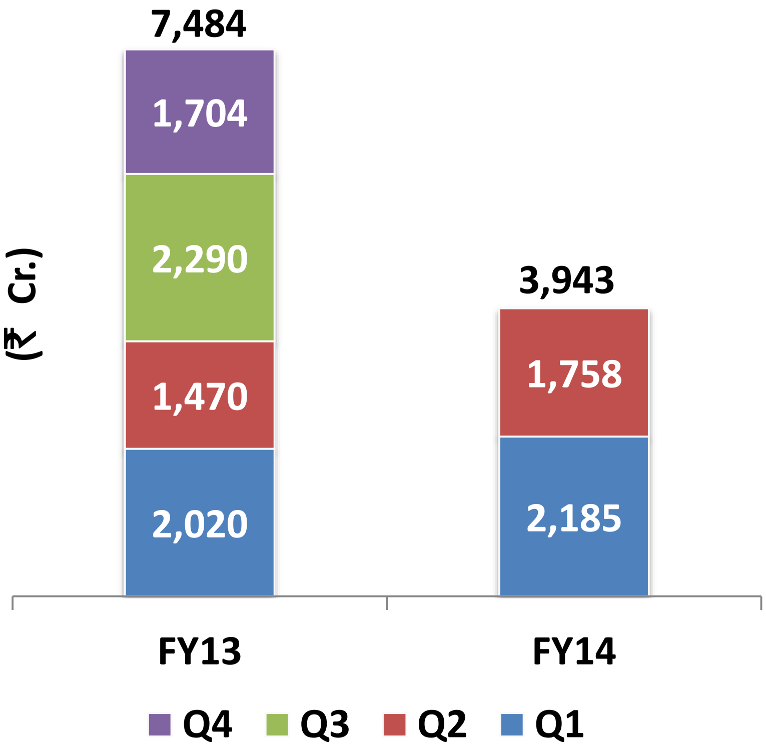
- 🟥 Transmission, 76.5 % (KEC 67.1% ; SAE 9.4%)
- 🟦 Power Systems, 8.2%
- 🟧 Cables, 8.4%
- 🟦 Telecom, 3.3%
- 🟪 Railways, 0.2%
- 🟧 Water, 3.4%



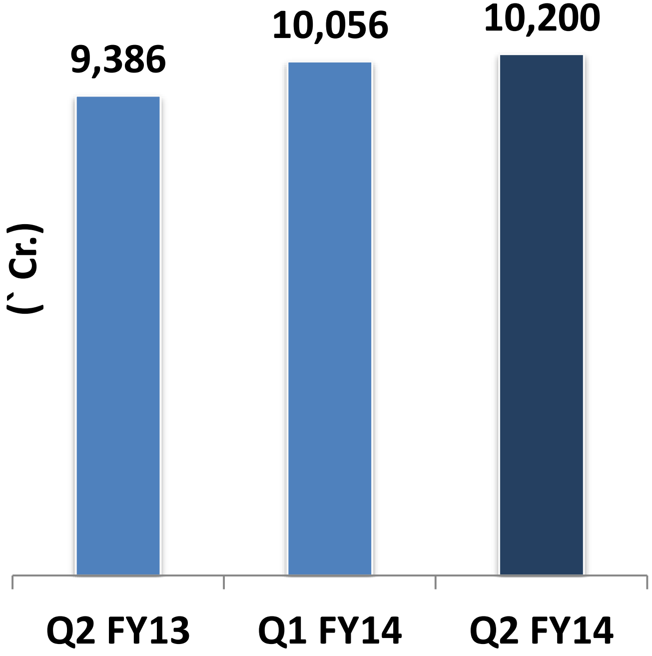
- 🟥 India, 36.9%
- 🟦 International, 63.1%

Order Intake and Order Book

Order Intake



Order Book



Thank You

Registered Office

RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030.
Phone: +91-22-6667 0200 | Email: kecindia@kecrpg.com

www.kecrpg.com