



RPP Infra Projects Ltd

Tuesday, 21st August, 2018

**Corporate Relationship Department
BSE Limited**

1st 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, 5th 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 Q1 FY 18-19 for the month of August 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 | AUGUST 2018

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 4-8
2	Q1FY19 Review & Future Guidance	Slides 9-15
3	Industry Overview	Slides 17-21
4	Appendix – Company Overview	Slides 23-31

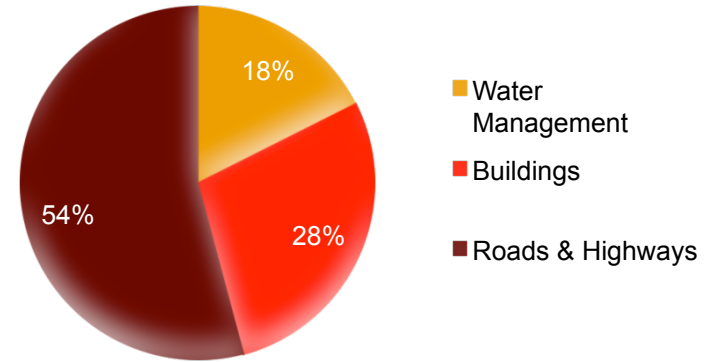
A Pure Play Niche EPC Company

- 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 (June'18) – INR 15,000 million

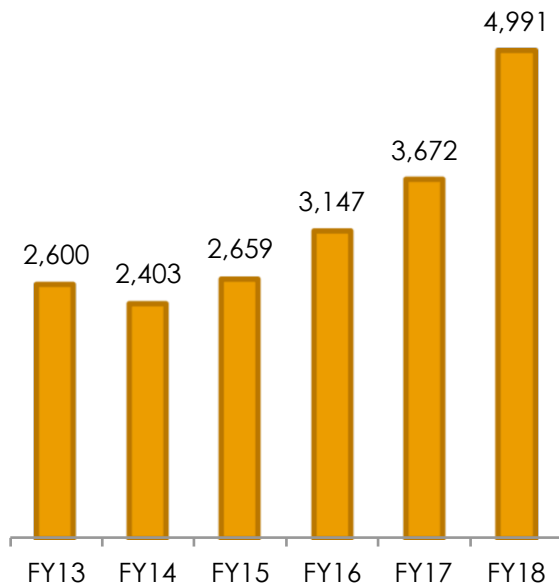


Short Project Duration

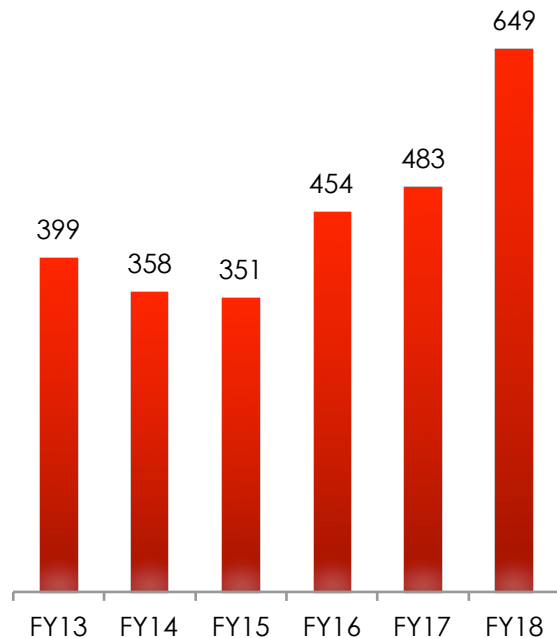
Time Frame	% Order Book
16-24 mths	87%
11-15 mths	11%
5-10 mths	2%

A Fast Growing Company...

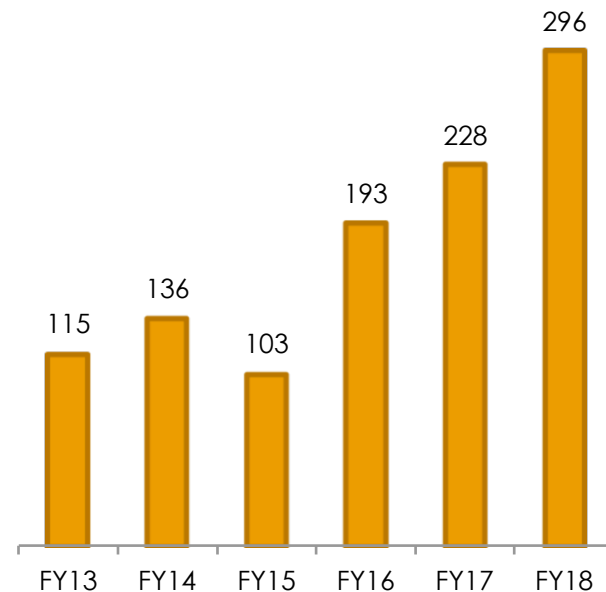
**Revenue
(INR Mn)**



**EBITDA
(INR Mn)**



**PAT
(INR Mn)**



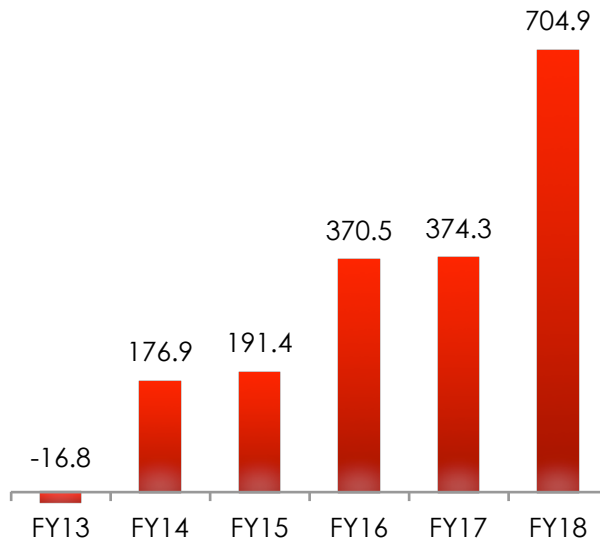
Adjusted PAT excluding Tax expense of Rs. 17.96 crores to resolve pending IT disputes from FY10 to FY16

...With a Strong Balance Sheet

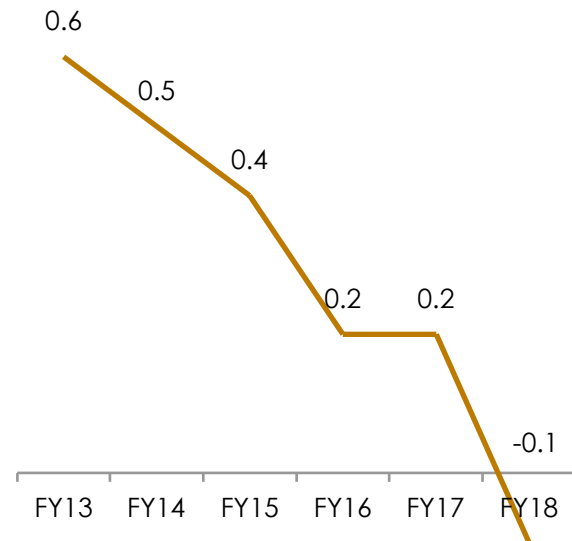
**Return on Equity
(%)**



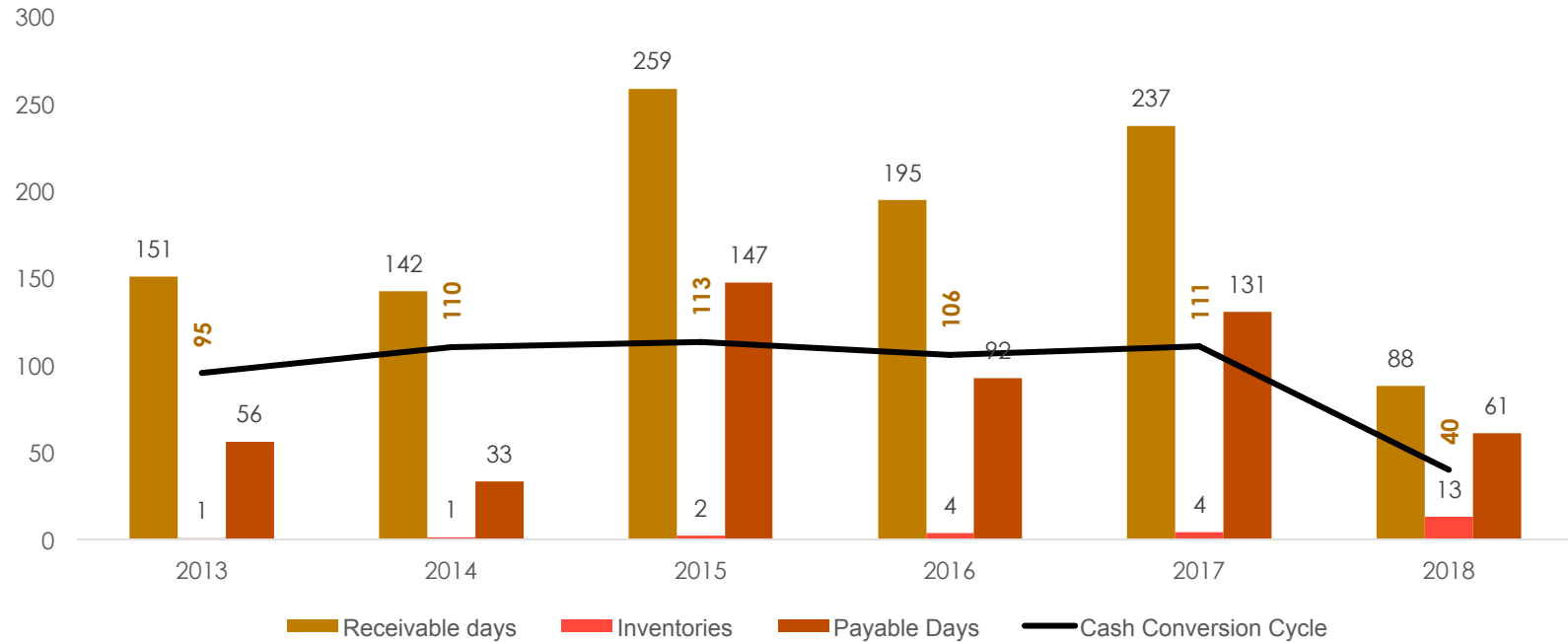
**Net cash from operations
(INR Mn)**



**Net Debt to Equity
(x)**



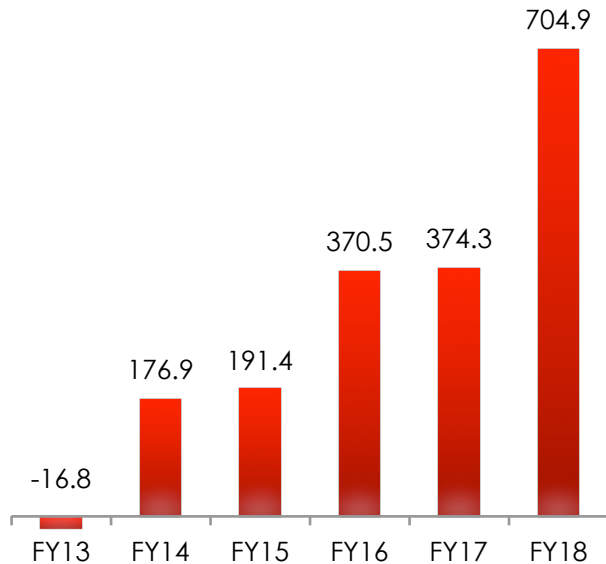
Cash Conversion Cycle Improving



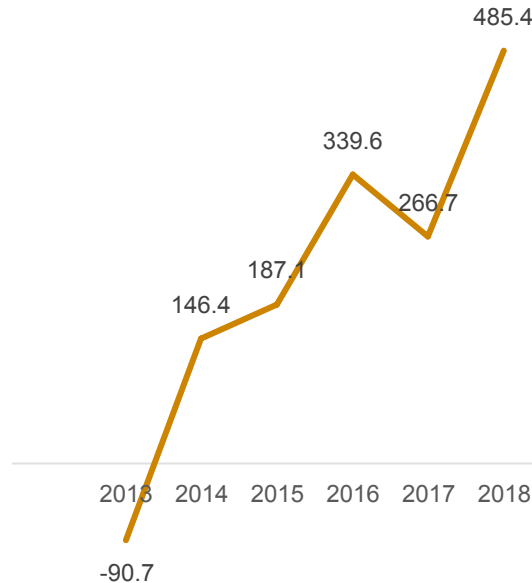
Please note: Above data in number of days

Creating Sustainable Shareholder Value

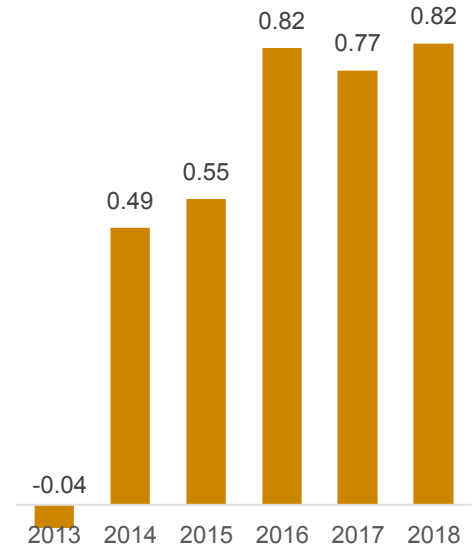
Net cash from operations
(INR Mn)



Free Cash Flow Generation
(INR Mn)



OCF/EBITDA

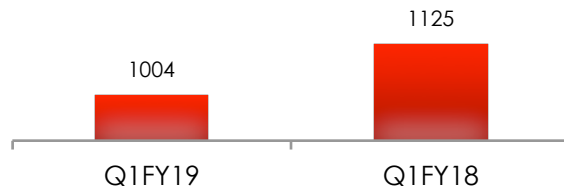


Q1FY19: Creating a Strong Base for Superior Growth

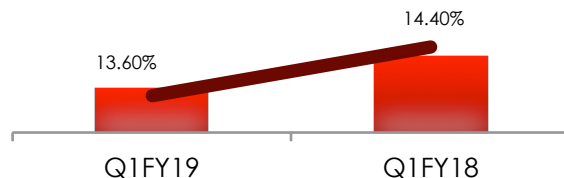
Operational Highlights

- Order inflows in Q1FY19 at INR 5 Bn+
- Won new orders worth INR 2 Bn+ since end of Q1FY19
- Won new orders in the affordable housing, roads & highways & buildings segments

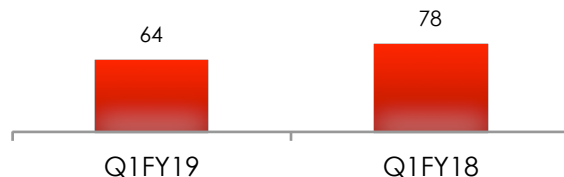
Revenue (INR Mn)



EBITDA (INR Mn) & EBITDA Margin (%)



PAT (INR Mn)



Financial Highlights

- Revenue down 11% YoY due to ongoing projects nearing completion stage
- Revenue from new project wins will kick in from Q2FY19 onwards
- EBITDA margins maintained at sustainable 13.5%+

Q1FY19 At a Glance

INR Mn	Q1FY19	Q1FY18	% Change
Revenues	1,004	1,125	(11%)
EBITDA	136	162	(16%)
EBITDA Margin	13.6%	14.4%	
Finance Cost	47	58	(19%)
PAT	64	78	(18%)
EPS (INR)	2.8	3.4	

Business Review – Q1FY19

ROADS

- Current Order Book – INR 8,119 Mn; growth of 92% YoY
- Bid pipeline of INR 971 Mn
- Will maintain high EBITDA margins of 12-14%



WATER MANAGEMENT

- Current Order Book – INR 2,637 Mn; growth of 70% YoY
- Bid pipeline of INR 2,767 Mn
- Will maintain high EBITDA margins of 15-18%



BUILDINGS

- Current Order Book – INR 4,243 Mn; growth of 85% YoY
- Bid pipeline of INR 1,460 Mn
- Will maintain EBITDA margins of 10-12%

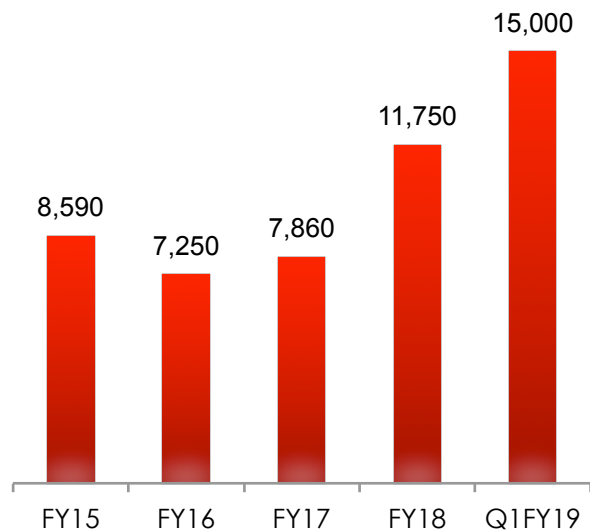


FY19 – Strong Order Inflows

Name	Amount	Segment	State
Q1FY19 Order Wins			
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
Kerala Education Infrastructure Division	INR 318 Mn	Buildings	Kerala
Order Wins since Q1FY19			
Public Works Department	INR 2,171 Mn	Roads & Highways	Maharashtra

On the move with India

Orderbook Growth Trajectory (INR Mn)



100%
Govt Order Book

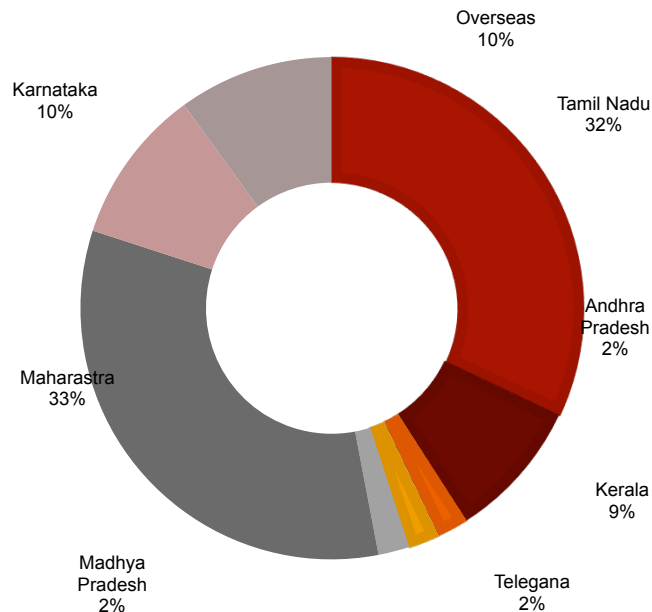
27%+
Order Book Growth

INR 2 Bn +
Order Wins post Q1FY19

9
States of Operations

2
Countries of Operations

Order Book Break-up



FY19 Outlook & Guidance

Revenue Guidance	INR Mn
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

- **2.2x 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

- **Negligible 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

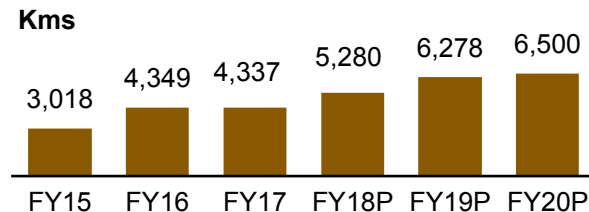
Mass rapid transit, metro train, water supply & sanitation projects

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 ⁽¹⁾



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 be a top priority for the Central Government

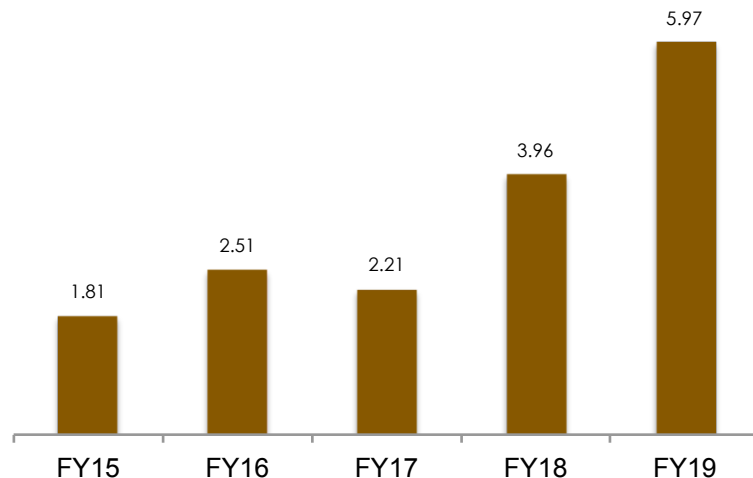
Rural Road Development – A prime focus area

Allocation of INR 14.34 trillion for creation of livelihood and infrastructure

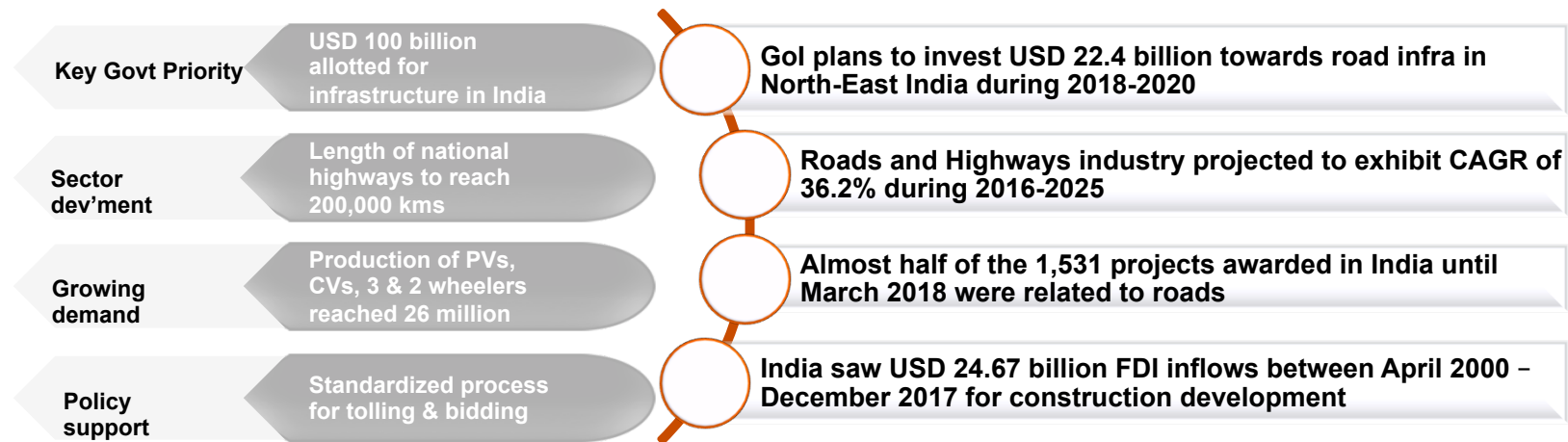
The irrigation sector has emerged as one of the most important considerations for the Government

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

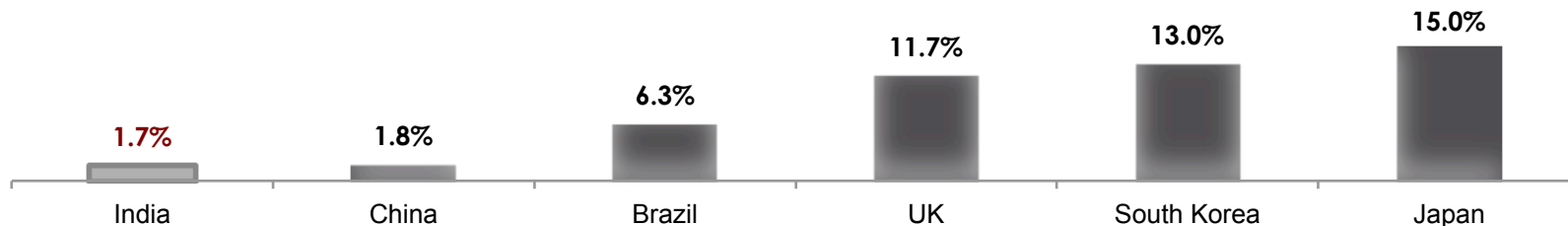
UNION BUDGET: ALLOCATION TO INFRASTRUCTURE SECTOR



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
Total	24,800	3,850
Balance road works under NHDP	10,000	1,500
TOTAL		5,350

- 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

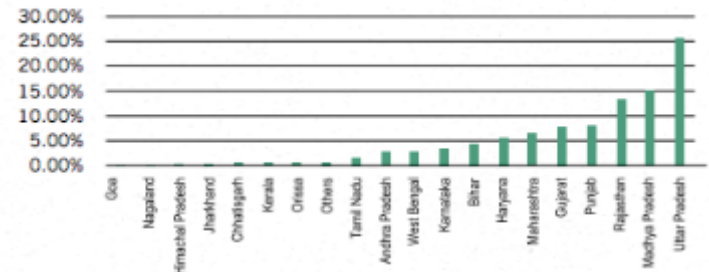
Drip Irrigation coverage	3.37 MHA
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Sprinkler Irrigation coverage	4.36 MHA
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Theoretical potential for micro irrigation in India	69.5 MHA
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Untapped Potential	61.8 MHA
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State wise potential of micro irrigation in India (% share)

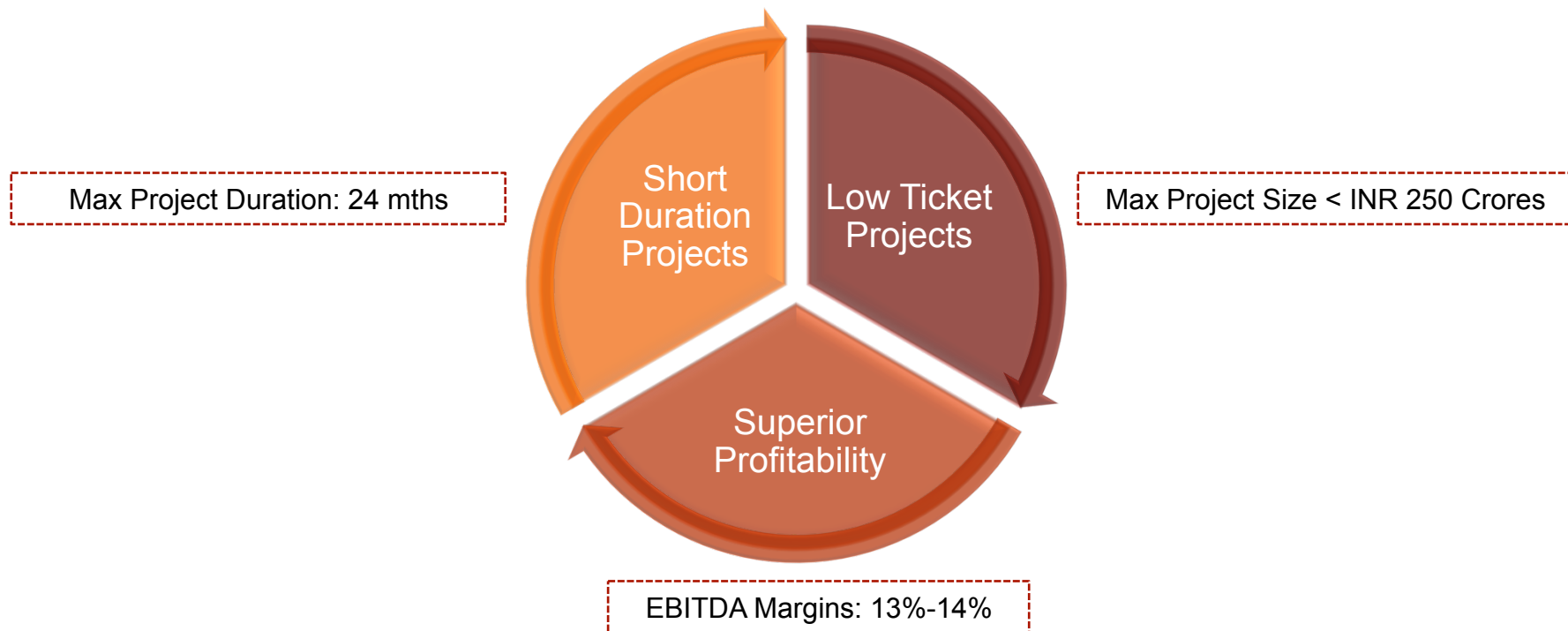


Source: India Agri Stat; Ministry of Agriculture, Government of India;
National Mission on Micro Irrigation Impact study for Govt of India, 2014



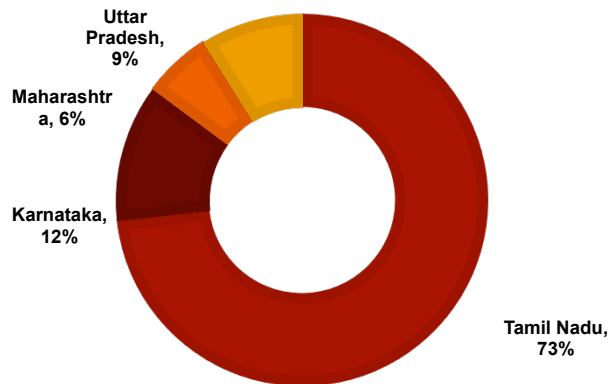
Appendix – Business Highlights

De-Risked Business Model

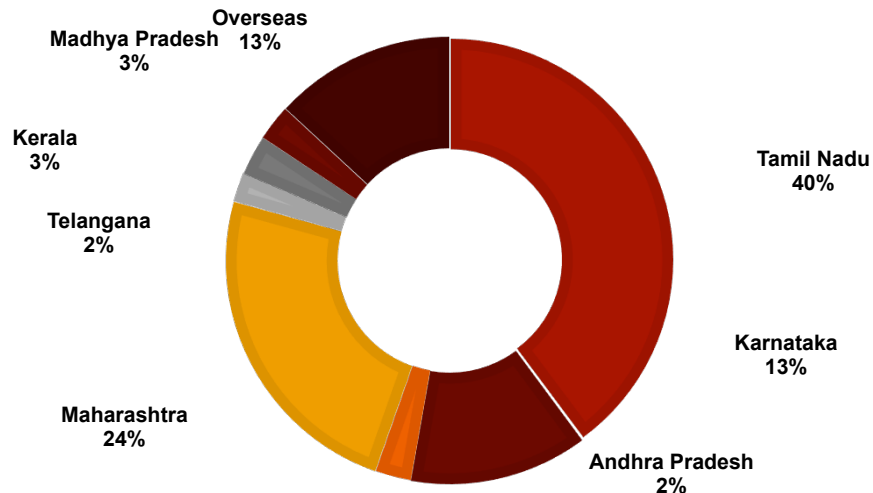


Improving Geographical Diversification

FY14 Order Book – INR 5,360 mn

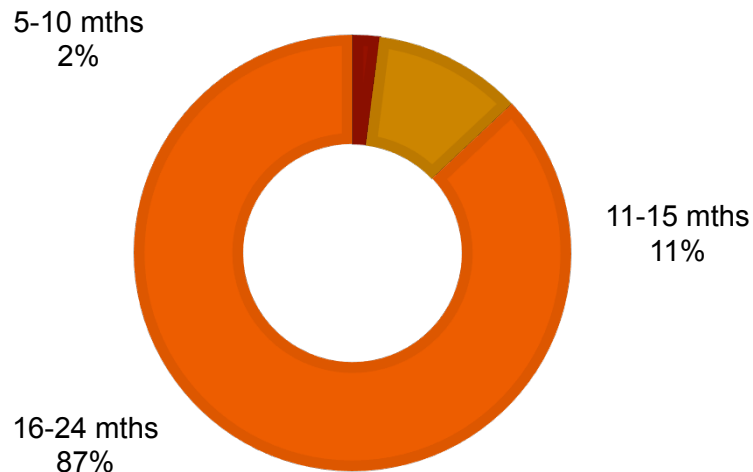


FY18 Order Book – INR 11,750 mn



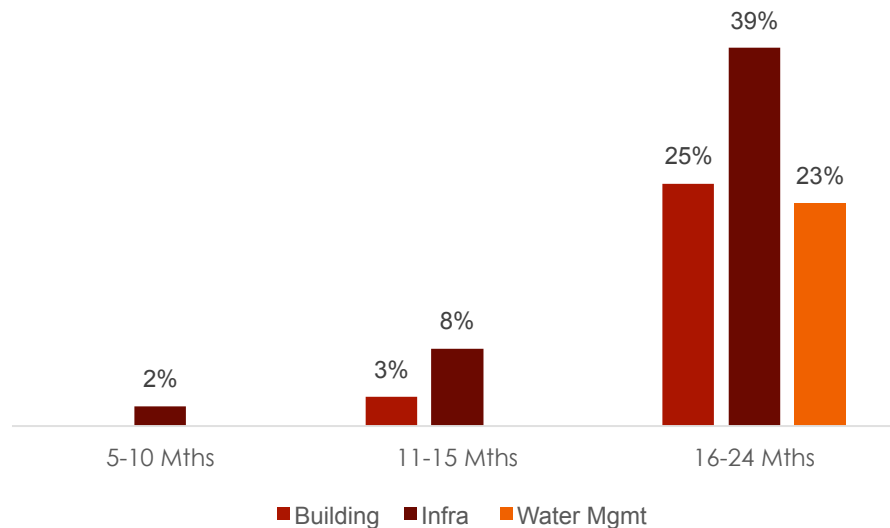
High Revenue Visibility

Project Duration

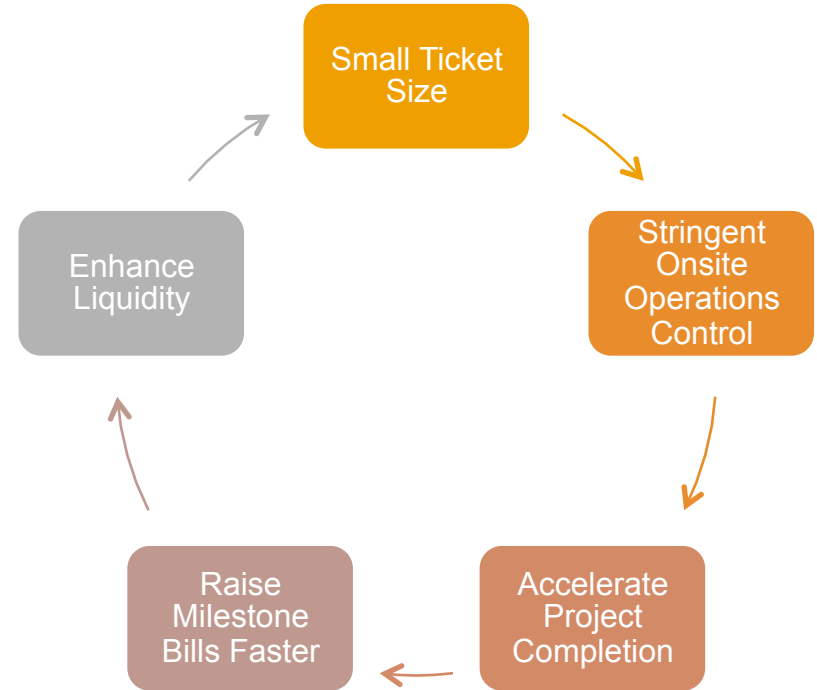
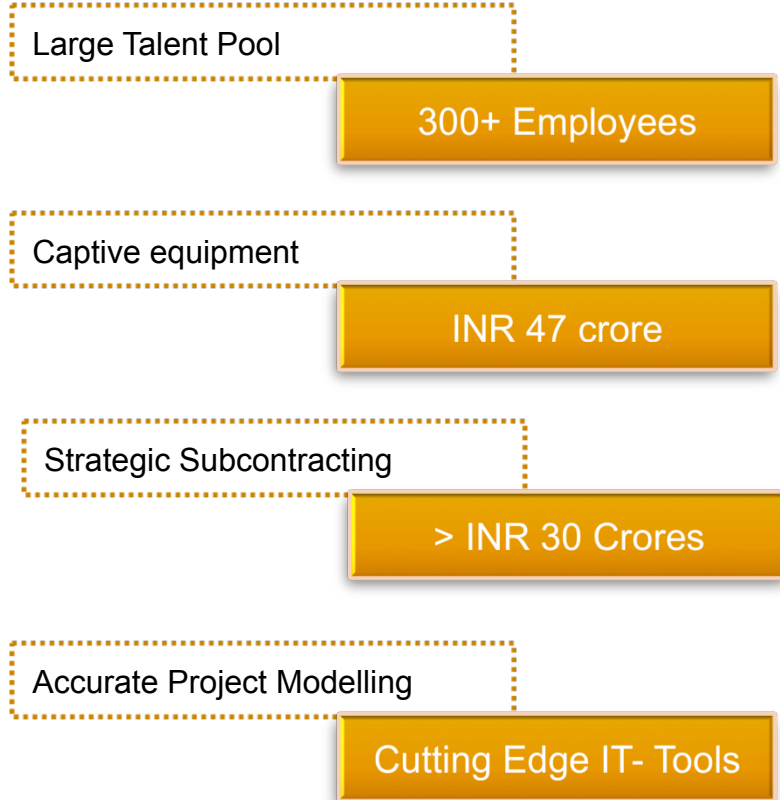


Book to bill ratio: 2.2x

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)	FY17	FY18
Revenue	3,663	4,991
COGS	2,934	3,979
Employee Benefits Expense	64	90
Other Expenses	182	273
EBITDA	483	649
EBITDA Margin	13%	13%
Depreciation	51	68
Finance Cost	168	193
Other Income	40	64
PBT	305	452
PBT Margin	8%	9%
Tax Expense	77	156
Tax Rate	25%	35%
PAT From Continuing Operations	228	296
PAT Margin	6%	6%

B/S TABLE

EQUITY & LIABILITIES	FY17	FY18	ASSETS	FY17	FY18
Share Capital	226	226	Tangible assets	285	303
Reserves and Surplus	1,849	1,973	Intangible assets	3	4
Net Worth	2,075	2,199	Capital Work-In-Progress	40	2
Non-Current Liabilities			Non Current Investments		
Long term Borrowings	168	118	Long Term Loans and Advances	19	9
Deferred Tax Liabilities	-		Other Non-Current Assets	178	18
Other Long Term Liabilities		8	Deferred Tax Assets	13	22
Long Term Provisions	6	7			
			Current Assets		
Current Liabilities			Inventories	42	178
Short Term Borrowings	577	628	Trade Receivables	2,380	1,203
Trade Payables	1,311	835	Cash and Bank Balances	405	923
Other Current Liabilities	611	1,459	Short Term Loans and Advances	649	288
Short Term Provisions	94	15	Other Current Assets	829	2,319
TOTAL	4,842	5,269	TOTAL	4,842	5,269

Thank You & Contact Us

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