



RPP Infra Projects Ltd

Saturday, 1st June, 2019

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 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

	FY19 Guidance	FY19 Actual
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

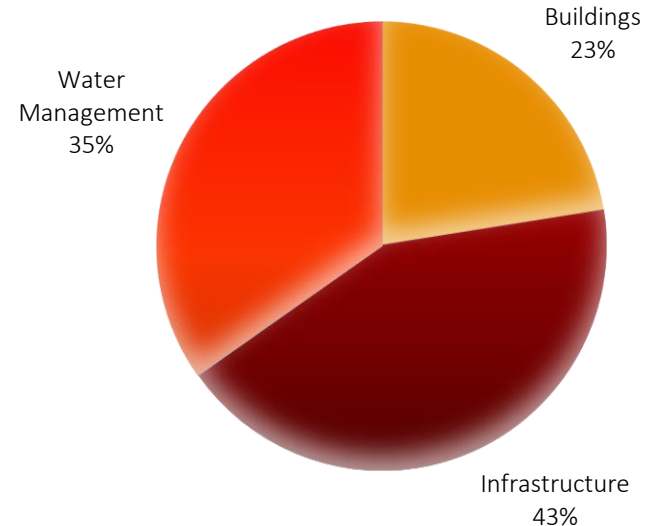
A Pure Play Niche EPC Company

- 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

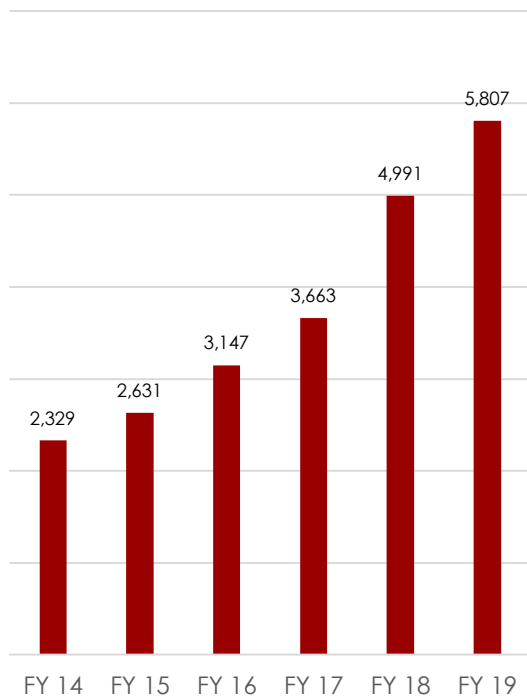
Order Book (Mar'19) – INR 19,442.5 Mn



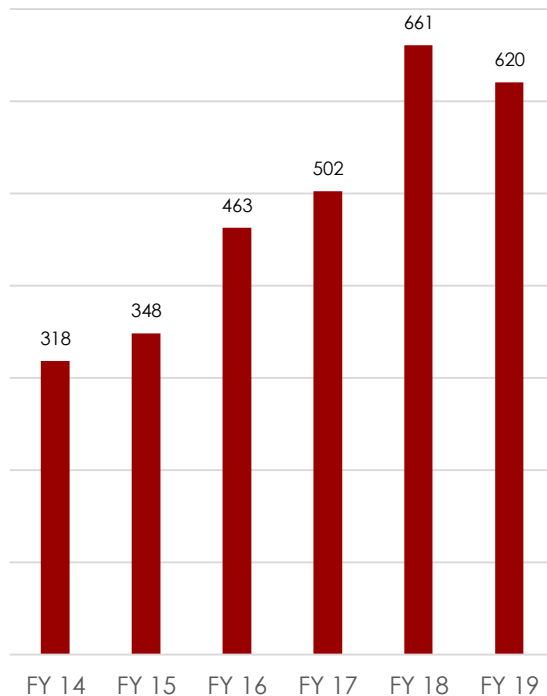
Orders won in Q4 FY19 : 4,937 Mn

A Fast Growing Company...

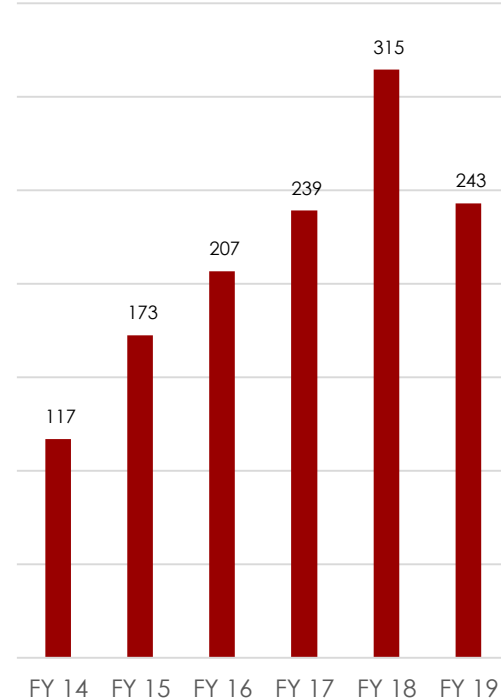
Revenue (INR Mn)



EBITDA (INR Mn)



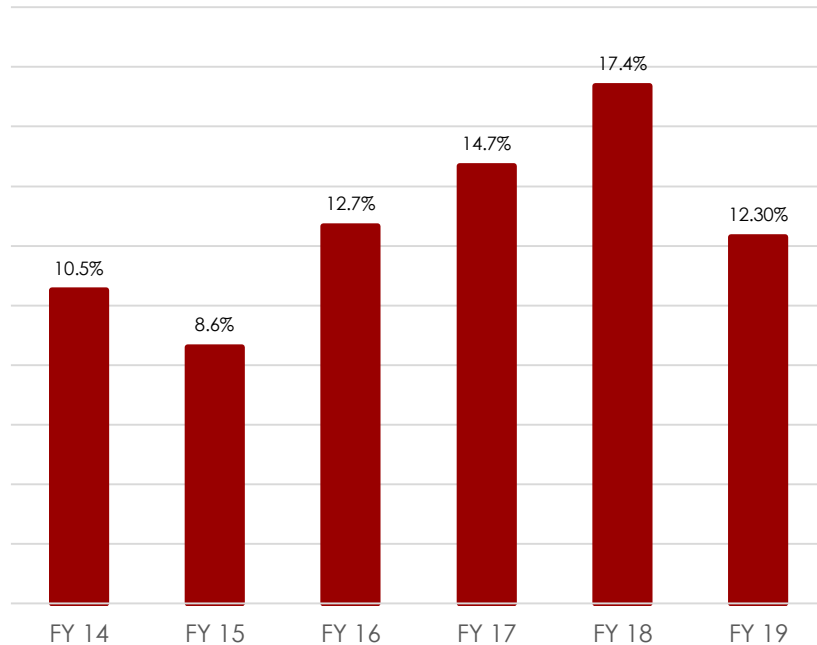
PAT (INR Mn)



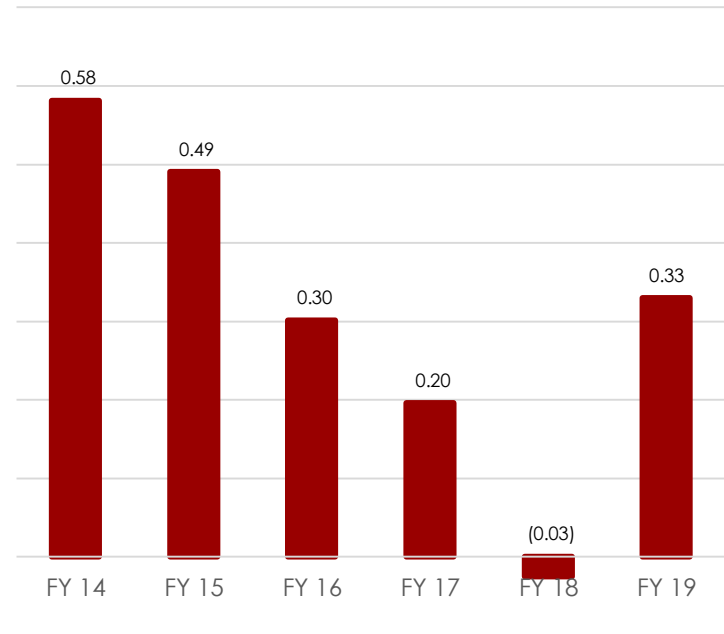
Adjusted PAT in FY18 is excluding one time tax expense of Rs. 17.96 crores to resolve pending IT disputes from FY10 to FY16

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

RoE (%)



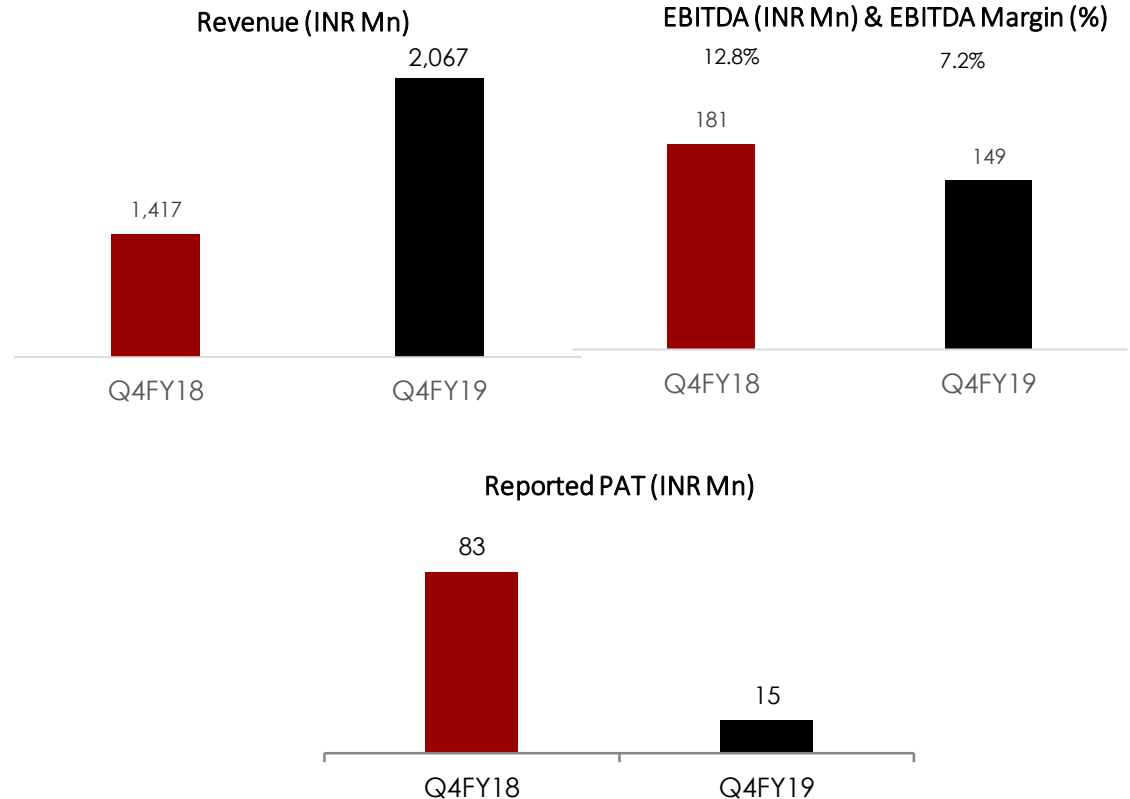
Net debt to equity (x)



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%
EBITDA Margin	7.2%	12.7%		10.7%	13.2%	
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%

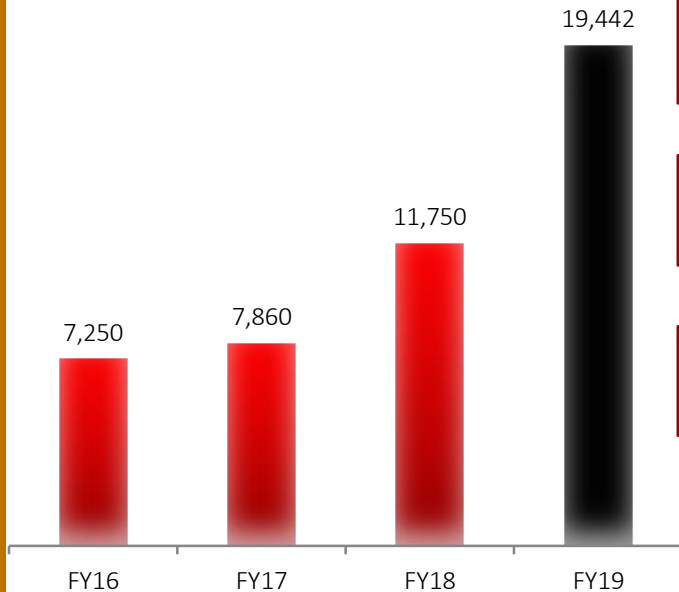


Q4 FY19 – Strong Order Inflows

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)



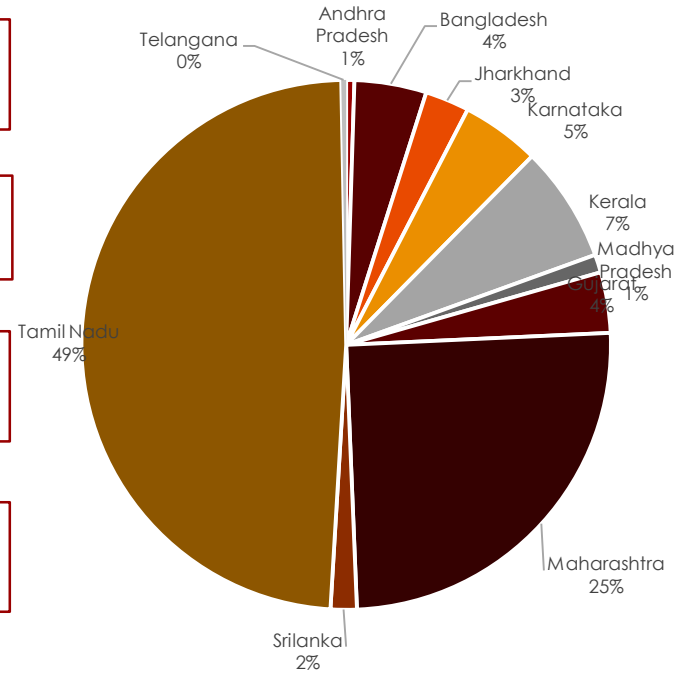
100%
Govt Order Book

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



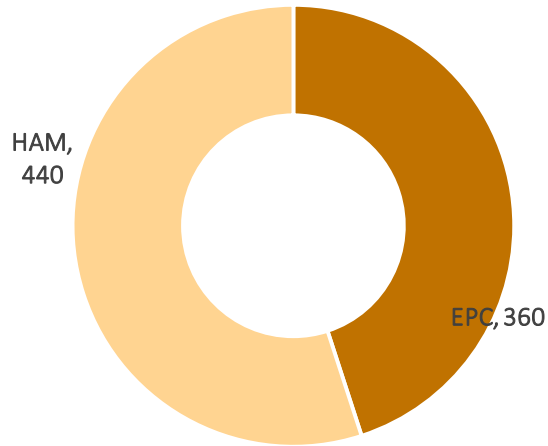
Industry Overview

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 NHAI Ordering

Significant NHAI Bid Pipeline of
INR c.800 Bn



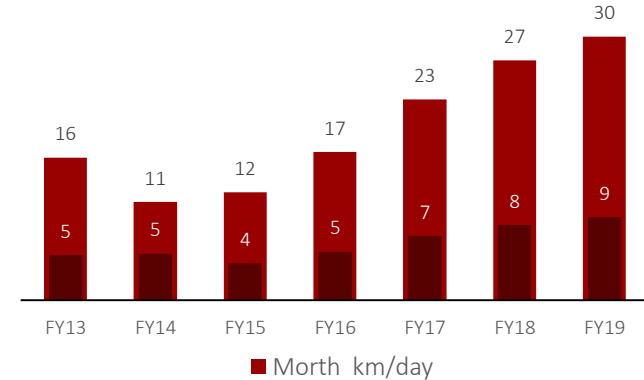
2,222 km

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)

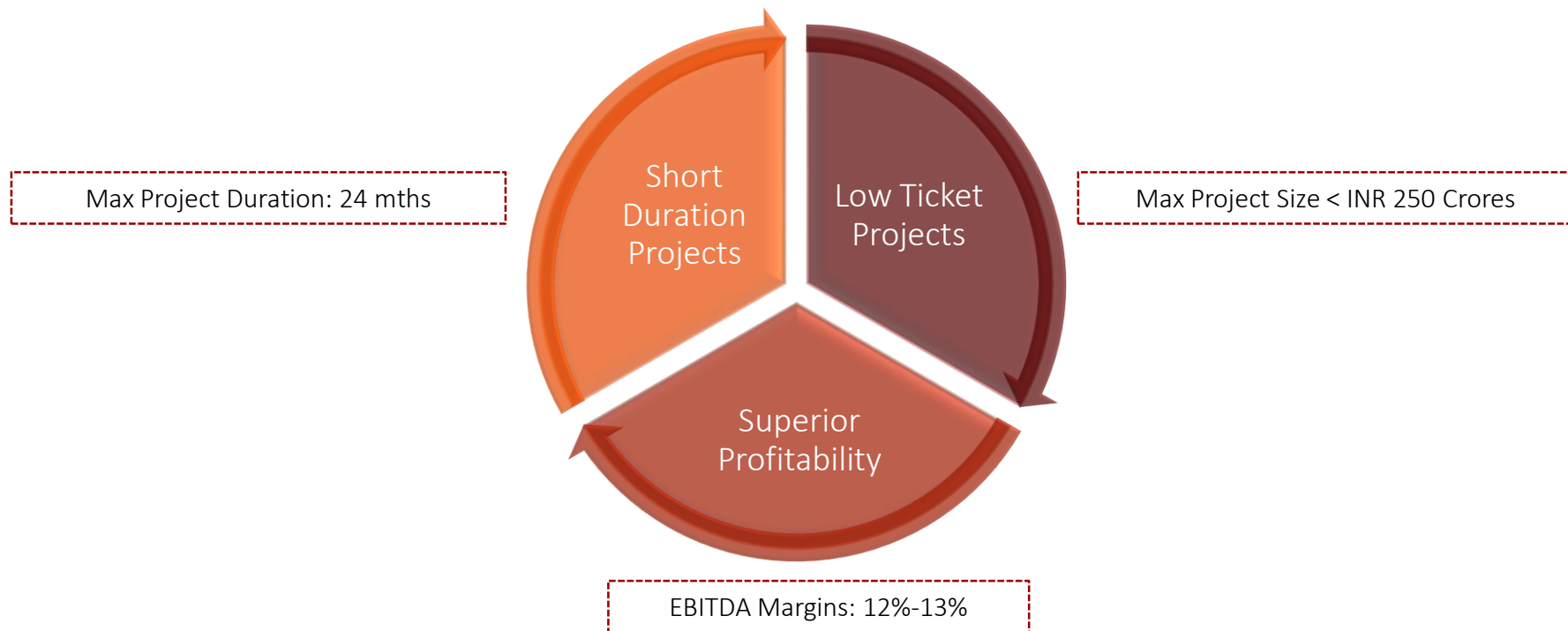
22,429

In-progress Road
Works



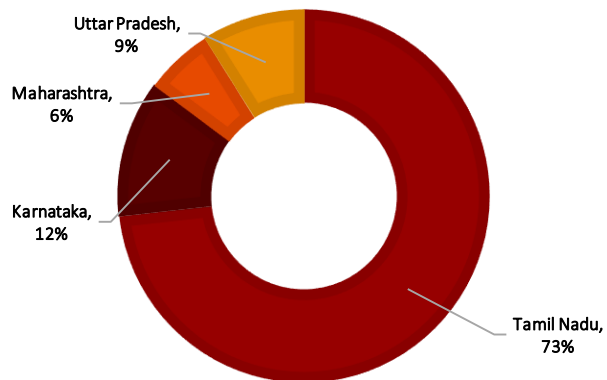
Appendix – Business Highlights

De-Risked Business Model

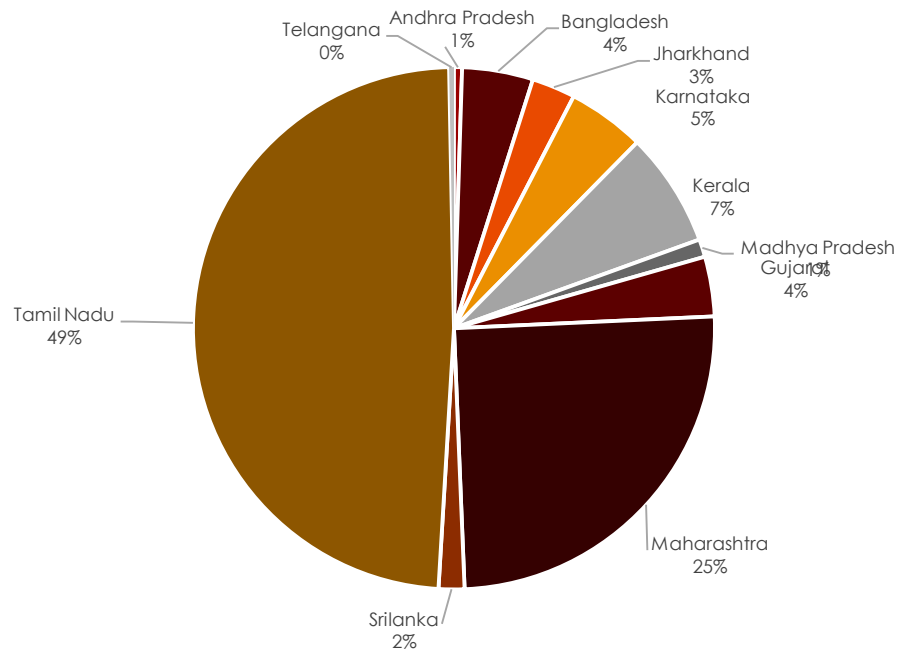


Improving Geographical Diversification

FY14 Order Book – INR 5,360 mn

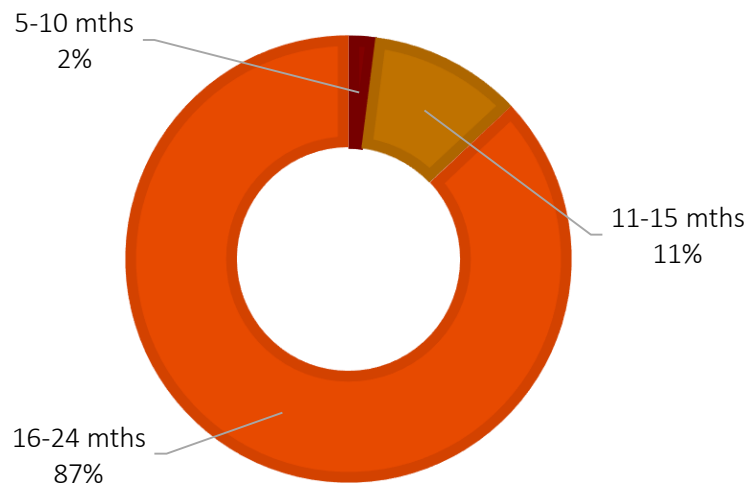


Order Book (Mar'19) – INR 19,442 Mn



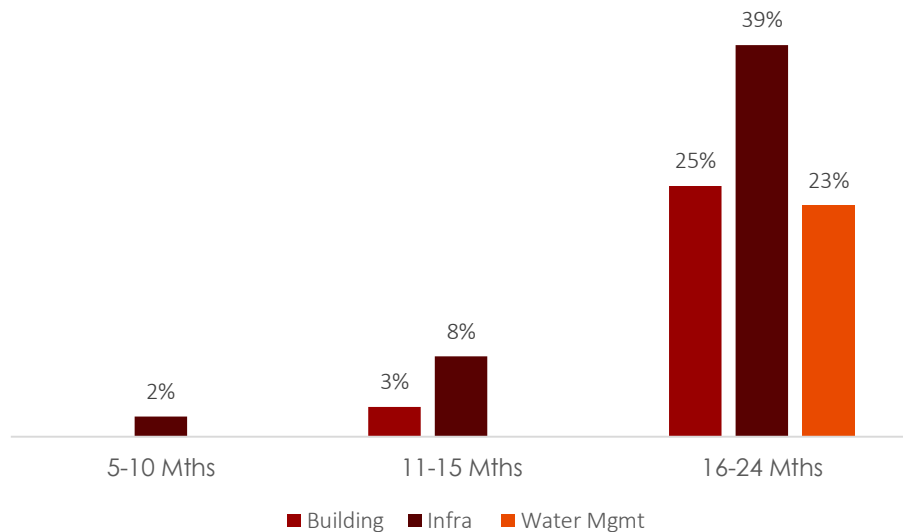
High Revenue Visibility

Project Duration

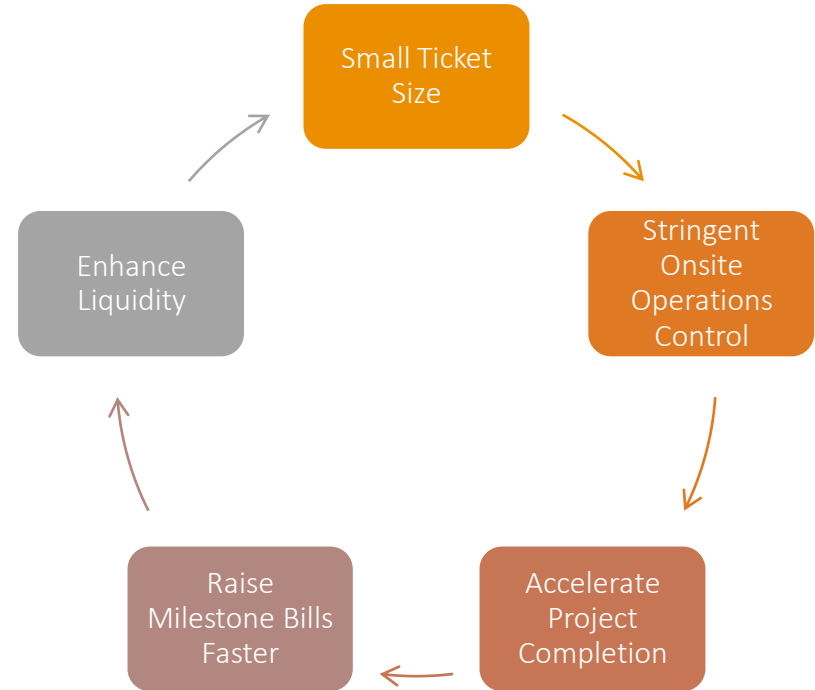
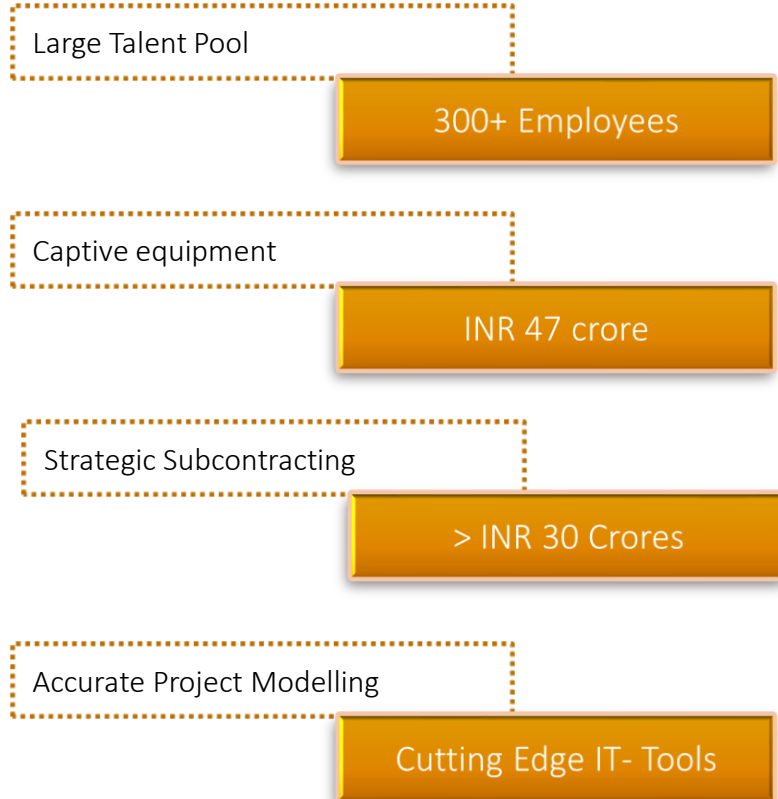


Book to bill ratio: 4.8x

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
EBITDA	620	661	502
<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
PBT	410	471	316
<i>PBT Margin</i>	<i>7%</i>	<i>9%</i>	<i>9%</i>
Tax Expense	167	336	77
* PAT	243	135	239
<i>PAT Margin</i>	<i>4%</i>	<i>3%</i>	<i>7%</i>

*Reported PAT

B/S TABLE - STANDALONE

Assets	FY 19	FY 18	FY 17	Equity and Liabilities	FY 19	FY 18	FY 17
Non-Current assets							
Property, plant and equipment	517	302	284	Equity			
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
Financial assets				Non-current liabilities			
Investments	6	7	10	Financial liabilities			
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	-	-
Current assets							
Inventories	202	177	40	Current liabilities			
Financial assets	-	-	-	Financial Liabilities			
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
TOTAL	5,889	5,056	4,581	TOTAL	5,889	5,056	4,581

Thank You & Contact Us

Sheetal Khanduja
Go India Advisors
+91 9769364166
sheetal@goindiaadvisors.com

Tanya Khosla
Go India Advisors
+91 9769387813
tanya@goindiaadvisors.com