



RPP Infra Projects Ltd

Tuesday, 19th February, 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 Investor Presentation Q3 FY 18-19 for the month of February 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

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Service Tax No. AAACR9307EST001
GSTIN No. : 33AAACR9307E1Z0



RPP INFRA PROJECTS LTD

CORPORATE PRESENTATION | Q3 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 4-6 |
| 2 | Q3FY19 Review & Future Guidance | Slides 7-14 |
| 3 | Industry Overview | Slides 15-20 |
| 4 | Appendix – Company Overview | Slides 21-30 |

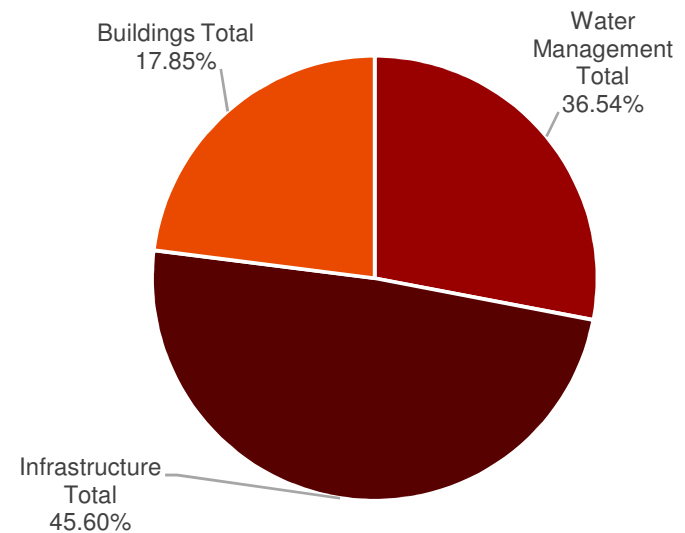
A Pure Play Niche EPC Company

- 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

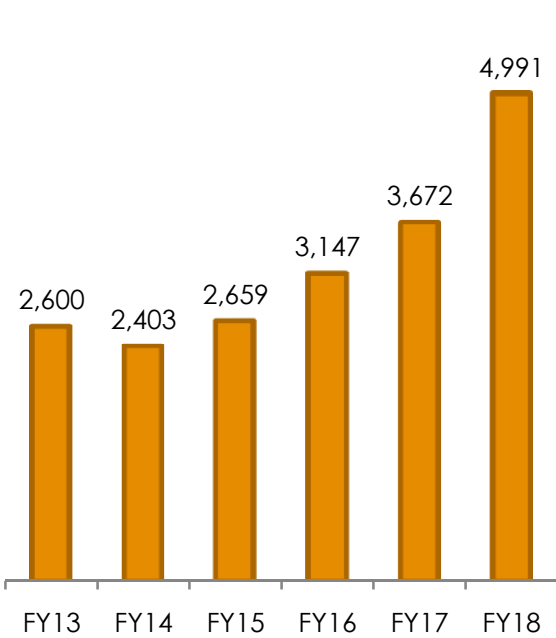
Order Book (Dec'18) – INR 15,556.7 Mn



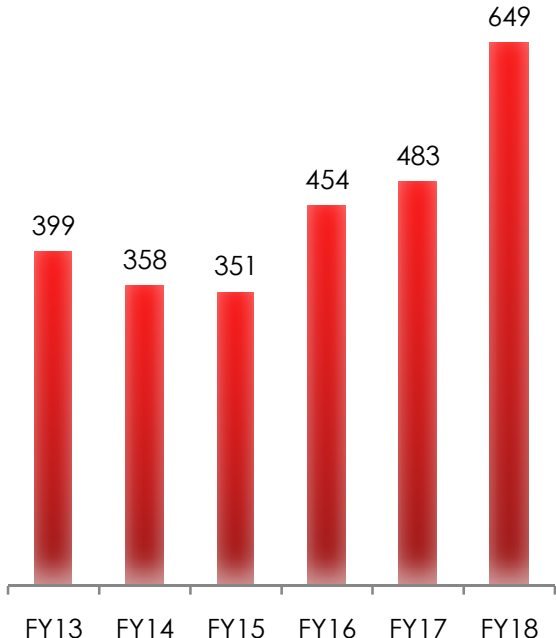
Orders won in Q3 FY19 : 2,085 Mn
Orders won after Q3 FY19: 3,880 Mn

A Fast Growing Company...

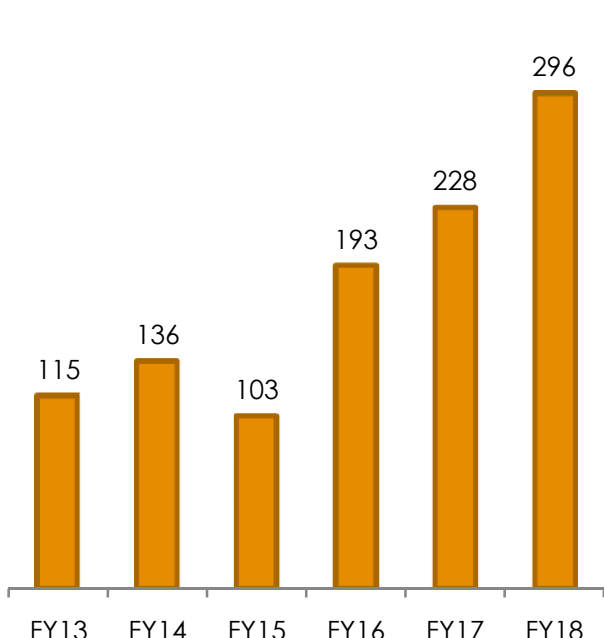
**Revenue
(INR Mn)**



**EBITDA
(INR Mn)**



**PAT
(INR Mn)**

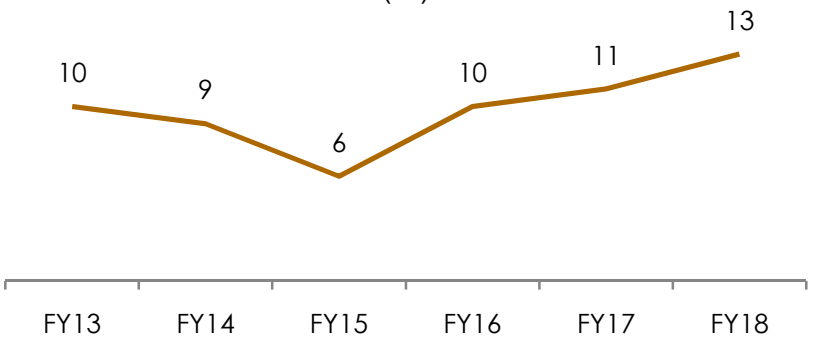


*calculated on a consolidated results

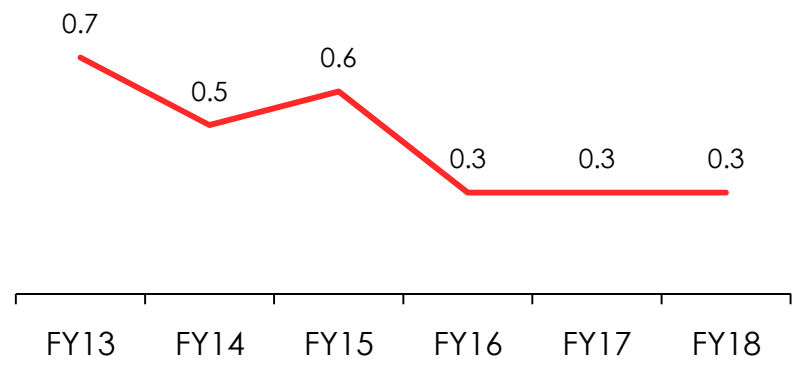
Adjusted PAT excluding one time tax expense of Rs. 17.96 crores to resolve pending IT disputes from FY10 to FY16

...with a strong balance sheet, creating superior Shareholder Value

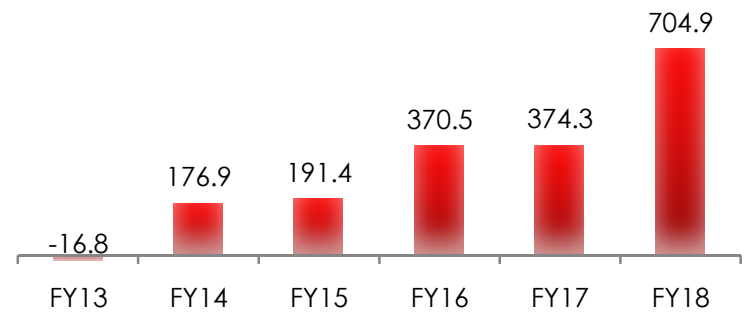
Return on Equity (%)



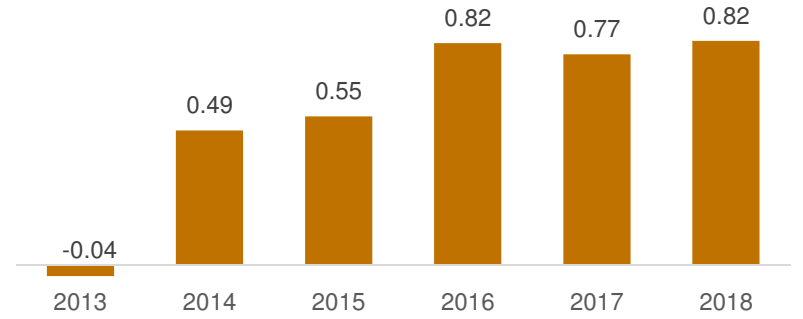
Net Debt to Equity (x)



Net cash from operations (INR Mn)



OCF/EBITDA

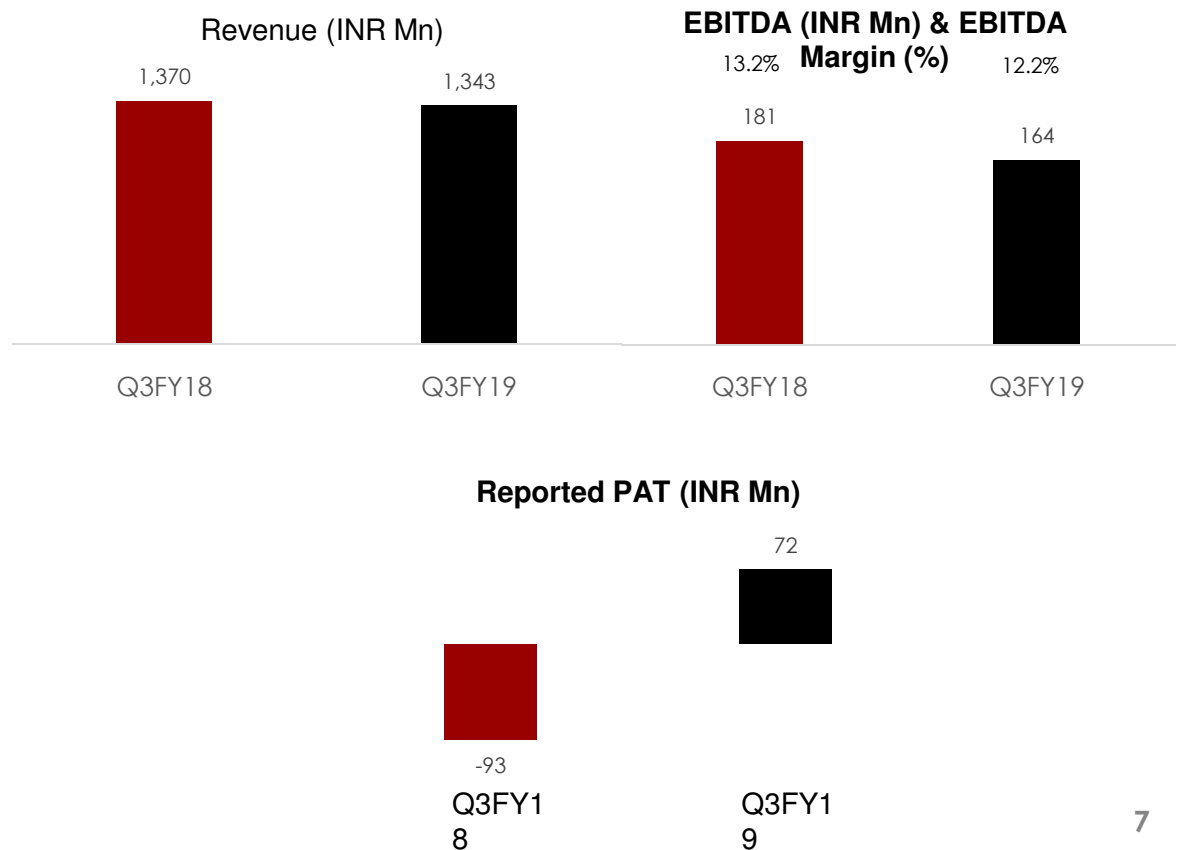


*calculated on a consolidated results

Q3FY19: Stable Performance Amid Tight Liquidity

Operational Highlights

- Flattish revenues & minor increase in operating expenses led by tight working capital scenario
- This tightening liquidity led to slightly lower EBITDA & marginal dip in EBITDA margins
- Order inflows continued strengthening in Q3FY19 (at INR 2.7 billion) as well as after Q3FY19 (at INR 3.8 billion)
- Order Book as on Q3 FY19 – INR 15.5 billion
- Won new orders in the water management, roads & highways



H1FY19 – Balance Sheet Strength Intact

17%

Adj Return on
Equity (%)

0.3x

Net Debt to
Equity (x)

82 Days

Receivable Days

14 Days

Inventory Days

75 Days

Payable Days

**Above data is calculated on TTM basis*

Q3FY19 & 9MFY19 At a Glance

INR Mn	Q3FY19	Q3FY18	% Change (YoY)	9M FY19	9M FY18	% Change (YoY)
Revenues	1,343	1,370	-2%	3,740	3,574	5%
EBITDA	164	181	-10%	471	480	-2%
EBITDA Margin	12.2%	13.2%	-	12.6%	13.4%	-
Finance Cost	62	38	63%	160	139	15%
Reported PAT	72	-93	-	229	50	354%
Reported EPS (INR)	3.2	-4.1	-	10.1	2.2	-

Business Review

ROADS

- Current Order Book – INR 7,630.4 Mn
- Embedded EBITDA margins of 12-14%



WATER MANAGEMENT

- Current Order Book – INR 4,404 Mn
- Embedded EBITDA margins of 15-18%



BUILDINGS

- Current Order Book – INR 3,522.3 Mn
- Embedded EBITDA margins of 10-12%

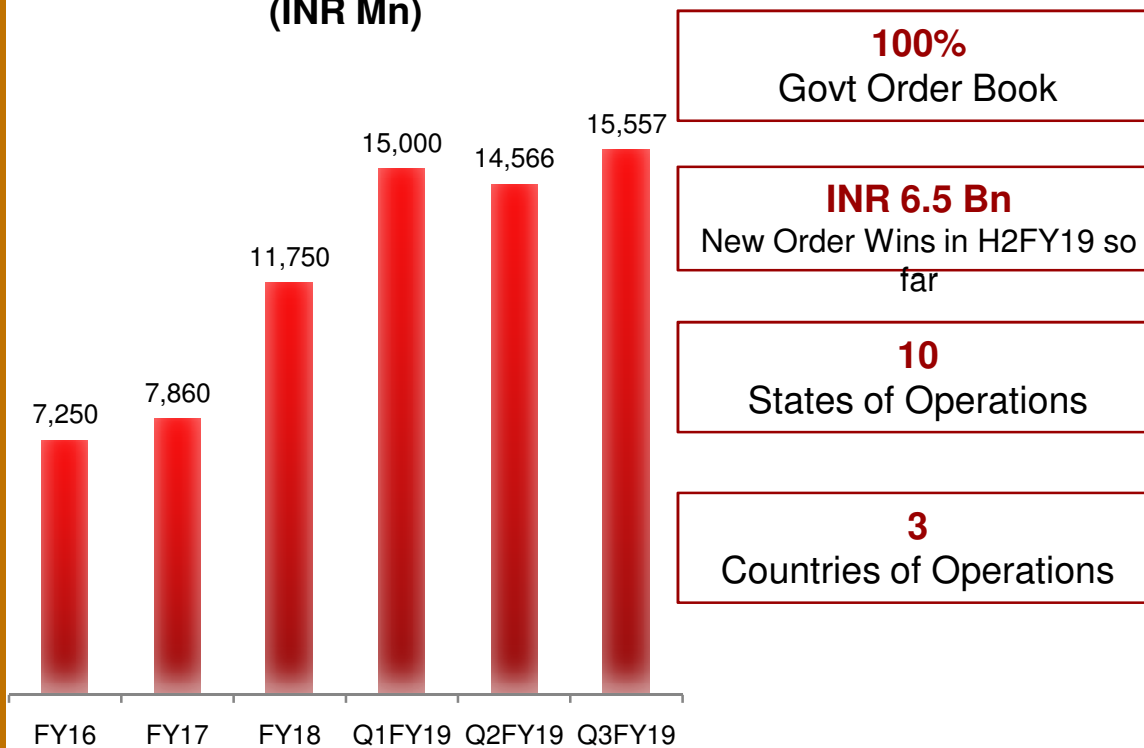


Q3 FY19 & After Q3 FY19 – Strong Order Inflows

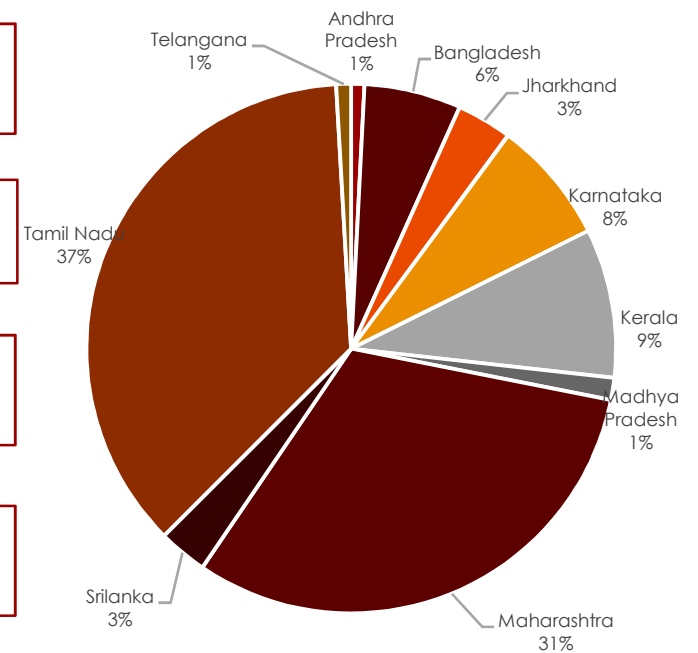
Name	Amount	Segment	State
Post Q3FY19 Wins			
BHEL, Chennai	INR 629 Mn	Buildings	Tamilnadu
Tiruppur City Municipal Corporation	INR 1,947 Mn	Water Management	Tamilnadu
BHEL, Chennai	INR 402 Mn	Buildings	Tamilnadu
Thoothukudi Smart City	INR 180 Mn	Water Management	Tamilnadu
Gujarat Water Supply Board – 40% share	INR 405 Mn	Water Management	Gujarat
Gujarat Water Supply Board – 40% share	INR 317 Mn	Water Management	Gujarat
Q3FY19 Wins			
Government of Jharkhand	INR 527 Mn	Water Management	Jharkhand
Tamilnadu Water Supply and Drainage Board	INR 1,558 Mn	Water Management	Tamilnadu

On the move with India

Orderbook Growth Trajectory (INR Mn)



Order Book Break up



Future Outlook & Guidance

Tightening liquidity scenario leading to downward revision in guidance

Revenue Guidance	INR Mn
FY2018 Actual	4,991
FY2019	5,300-5,500
FY2020	6,500-7,000

Revenue growth for the next 2 years: **15-20%**

Sustainable EBITDA Margin: **12-13%**

Low Capex Requirement: **FY19 Capex – INR 200 - 250 million**

Key Investment Highlights

Growing Order Book

- **c.2x in 3 years**

Short duration projects

- **3.02x 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

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 Swach Bharat, smart cities, green mode of transport

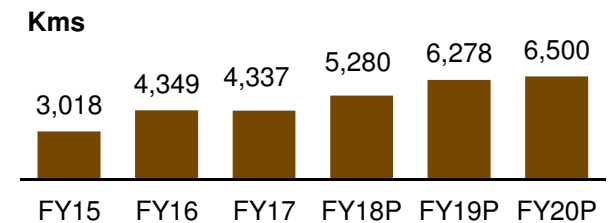
Mass rapid transit, metro train, water supply & sanitation projects

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

Source: GOI websites

Rural Infra: A Strong Government Focus

Comprehensive development of the rural infrastructure in India appears to a top priority for the Central Government

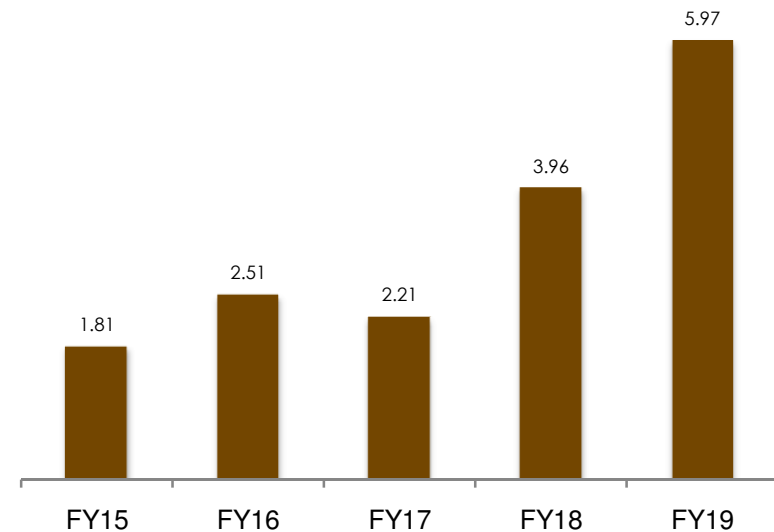
Rural Road Development – A prime focus area

Allocation of INR 14.34 trillion for creation of livelihood and infrastructure

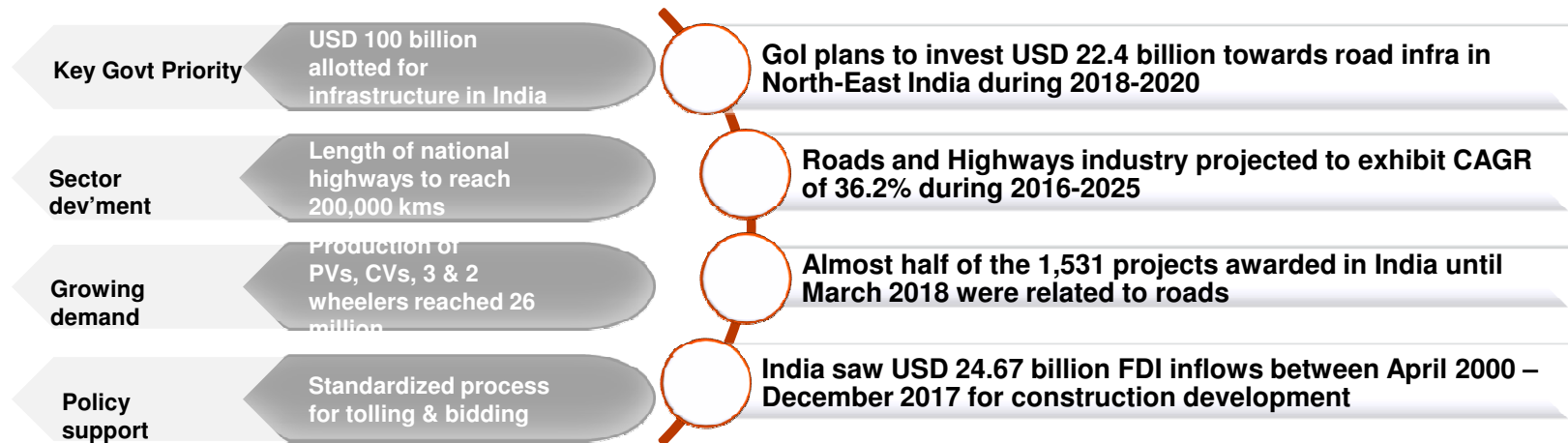
The irrigation sector has emerged as one of the most important considerations for the Government

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

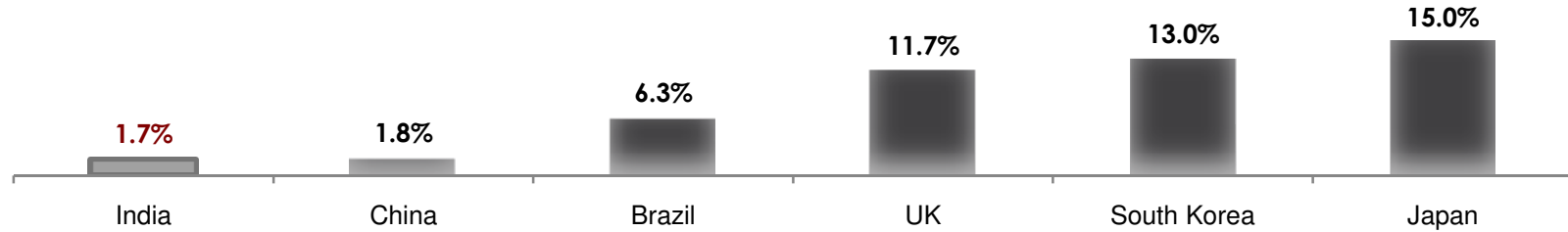
UNION BUDGET: ALLOCATION TO INFRASTRUCTURE SECTOR



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)

Source: GOI websites

The Irrigation Opportunity

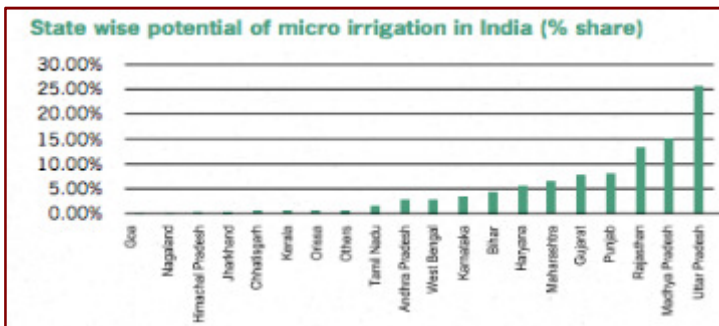
India accounts for ~17% of the total world's population but only 4% of the world's fresh water resources: FICCI
 Micro Irrigation is amongst priority areas – exclusive fund being set up in NABARD

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
Sprinkler Irrigation coverage	4.36 MHA
Theoretical potential for micro irrigation in India	69.5 MHA
Untapped Potential	61.8 MHA

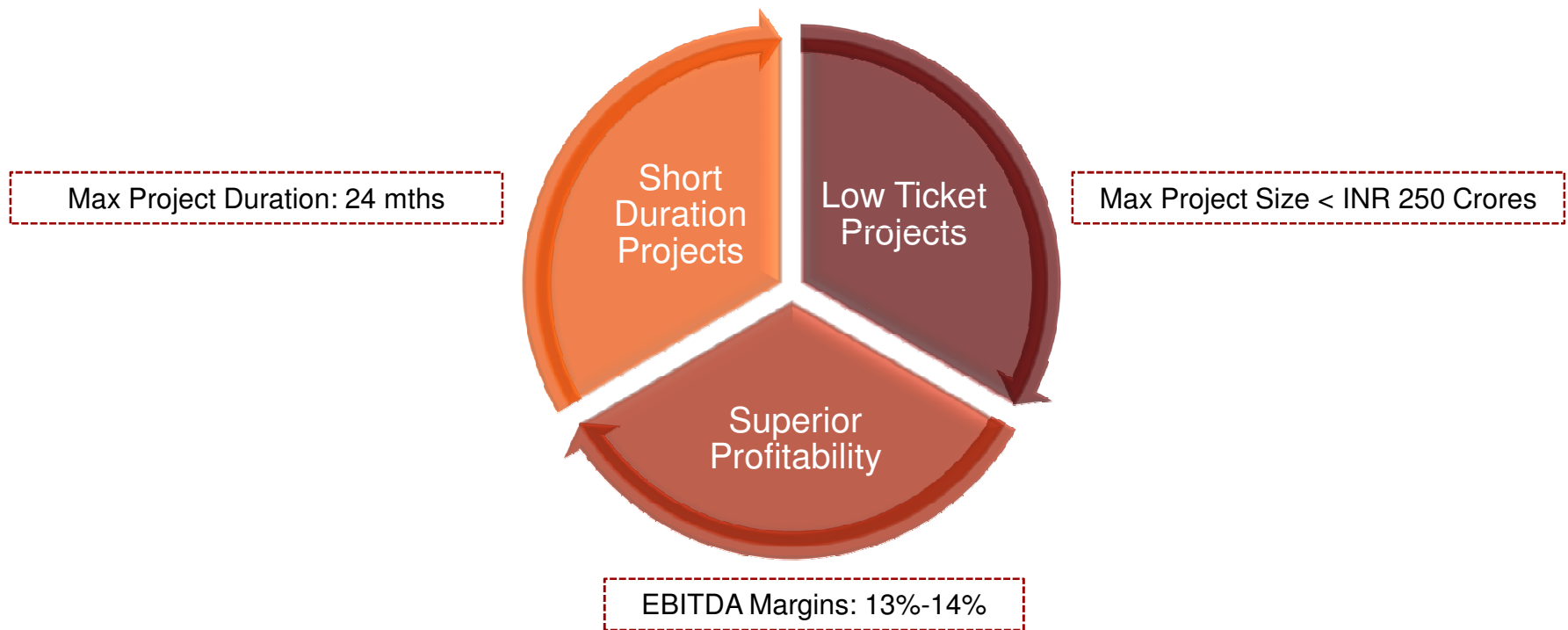


Source: India Agri Stat; Ministry of Agriculture, Government of India; National Mission on Micro Irrigation Impact study for Govt of India, 2014



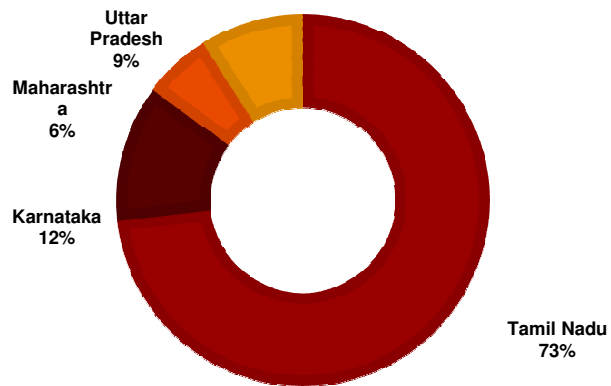
Appendix – Business Highlights

De-Risked Business Model

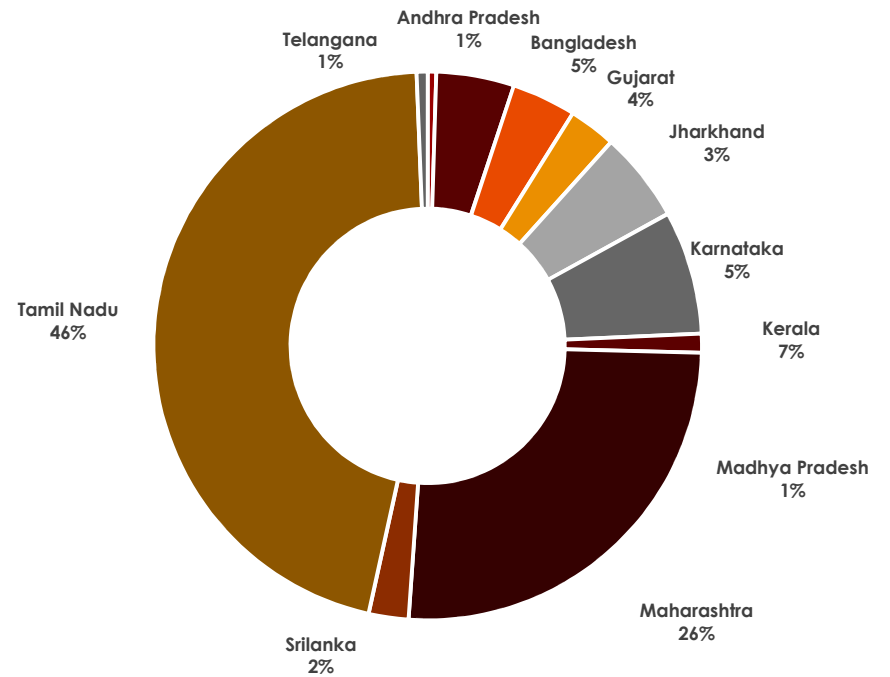


Improving Geographical Diversification

FY14 Order Book – INR 5,360 mn

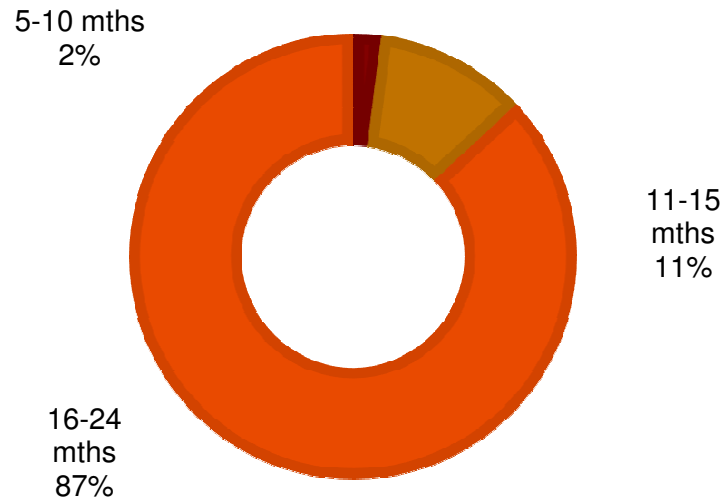


Order Book (Dec'18) – INR 15,556.7 Mn



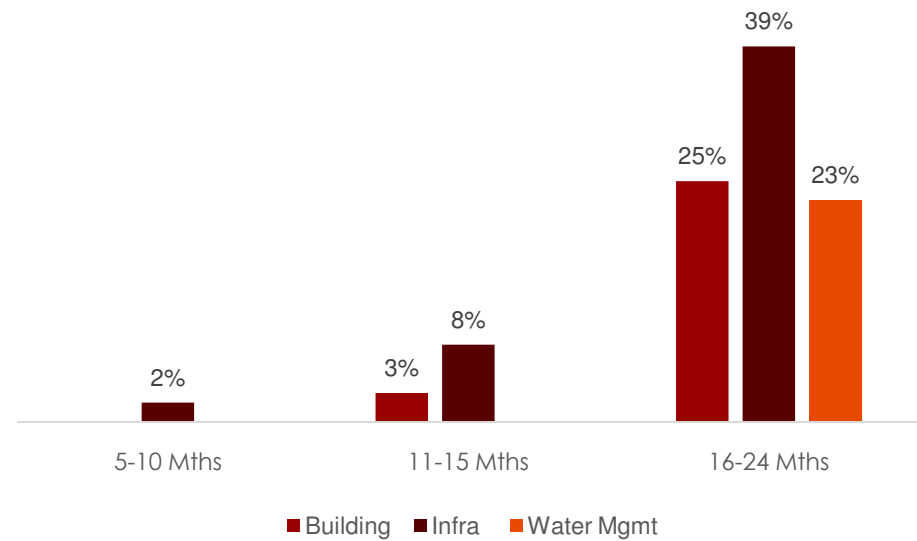
High Revenue Visibility

Project Duration

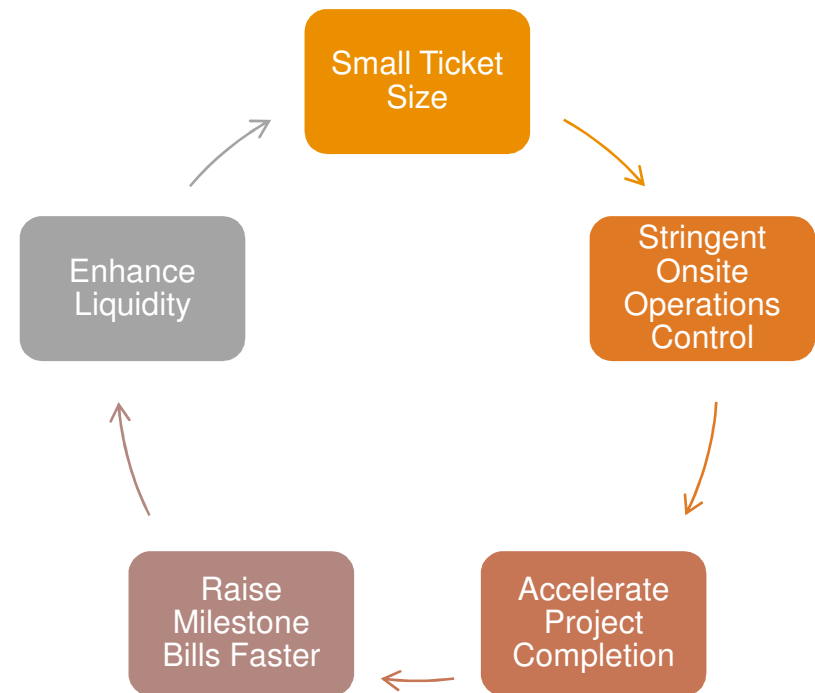
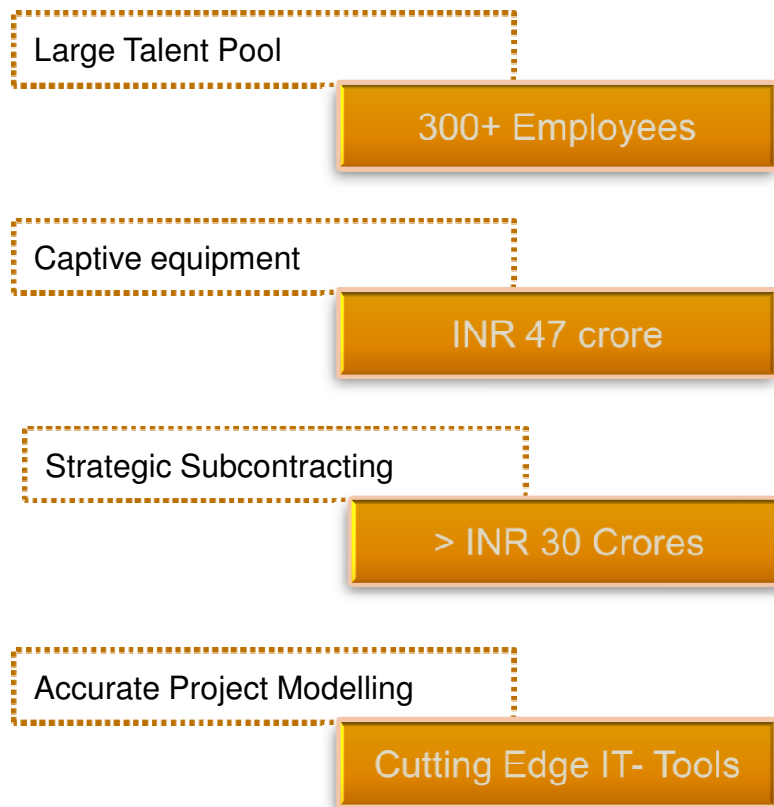


Book to bill ratio: 4.8x

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. 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)	H1 FY19	FY18	FY17	Y-o-Y%
Revenue	2,397	4,991	3,663	36%
Expenses	2,090	4,342	3,180	37%
EBITDA	307	649	483	34%
<i>EBITDA Margin</i>	<i>13%</i>	<i>13%</i>	<i>13%</i>	
Depreciation	23	68	51	33%
Finance Cost	97	193	168	15%
Other Income	53	64	40	60%
PBT	240	452	305	48%
<i>PBT Margin</i>	<i>10%</i>	<i>9%</i>	<i>8%</i>	
Tax Expense	83	156	77	103%
PAT	157	296	228	30%
<i>PAT Margin</i>	<i>7%</i>	<i>6%</i>	<i>6%</i>	

B/S TABLE

Assets	H1 FY 19	FY 18	FY 17	Equity and Liabilities	H1 FY 19	FY 18	FY 17
Non-Current assets							
Property, plant and equipment	424	302	284	Equity			
Capital work in progress	-	2	40	Equity Share Capital	226	226	226
Other Intangible assets	-	1	0	Other Equity	1,788	1,645	1,524
				Total equity	2,014	1,871	1,750
Financial assets				Non-current liabilities			
Investments	7	7	10	Financial liabilities			
Long Term Loans & Advances	-	-	-	Borrowings	907	118	168
Deferred Tax Asset	22	22	12	Other Financial Liabilities	9	-	20
Other Non-Current Assets	19	18	5	Provisions	7	7	6
Current assets				Current liabilities			
Inventories	208	177	40	Financial Liabilities	-	-	-
Financial assets	-	-	-	Borrowings	635	628	577
Trade Receivables	1,267	1,057	2,234	Trade payables	1,168	973	1,394
Cash and Cash equivalents	850	793	402	Other current financial liabilities	391	943	437
Short Term Loans & Advances	706	395	238	Other Current Liabilities	483	415	149
Others	1,734	1,463	852	Short Term Provisions	47	12	1
Other Current Assets	597	819	463	Current Tax Liabilities (Net)	172	89	80
Current Tax Assets (net)	-	-	-				
TOTAL	5,833	5,056	4,581	TOTAL	5,833	5,056	4,581



Thank You & Contact Us

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