



KALPA-TARU®

KALPATARU POWER TRANSMISSION LIMITED

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KPTL/22-23
09th February, 2023

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001. <u>Scrip Code: 522287</u>	National Stock Exchange of India Ltd. 'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex Bandra (E) Mumbai – 400 051. <u>Scrip Code : KALPATPOWR</u>
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Sub.: Investor's / Analyst Presentation

Respected Sir/ Madam,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to forward herewith a copy of Investor's / Analyst Presentation on financial results of the Company for the quarter and nine months ended 31st December, 2022.

Kindly take note of the same on your records.

Thanking you,

Yours faithfully,
For **Kalpataru Power Transmission Limited**

Shweta Girotra
Company Secretary & Compliance Officer

Encl.: a/a

ISO 9001 CERTIFIED COMPANY

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Kalpataru Power
Transmission Limited

Analyst Presentation Q3 FY23 Results



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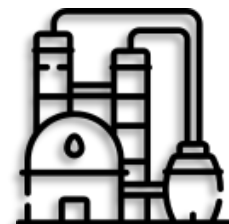
T&D



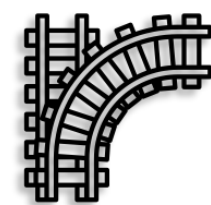
B&F



Water



Oil & Gas



Railways



Urban Infra & Metro Rail

KPTL - India's Leading EPC Company with extensive global presence

Completed amalgamation of JMC with KPTL *(Appointed date as of 1st April, 2022)*


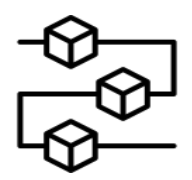



- > The board of KPTL & JMC approved the amalgamation of JMC with KPTL on 19th February 2022. The scheme was duly approved by NCLT on 21st December 2022.
 - The record date for allotment of shares - 11th January 2023
 - Newly issued shares listed on 1st February 2023
- > Internal systems and processes are now well aligned for the smooth operations of merged entity
- > Leading to the creation of one of India's large listed diversified engineering and construction company with a global presence and combined order visibility² (Including L1) of nearly ₹ 482 Bn

Dominant EPC Player with proven capabilities and 4 decades of experience

 Consolidated Revenue ₹ 148 Bn / US\$1.8 Bn (FY22)	 Employee 7,700+ ¹	 Global Reach 68 Countries	 Order Book² ~ ₹ 482 Bn/ US\$ 5.8 Bn	 Live Projects 200+ Across 6 High Growth Businesses
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Vision 2025 - Aspirational Targets

 Consolidated Revenue ~ USD 3 Bn	 Order Book ~ USD 6 Bn	 ROCE 21-22%+	 Global Footprints 100 Countries	 Improving ESG / Sustainability Rankings
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¹ As of Dec'22
² Order Book as on 31 Dec 2022 + Order wins in Q4 FY23 (2nd Feb 2023) + L1



WELL POSITIONED

- ✓ Leading position in core EPC business with improved scale and global reach, resilient and execution-focused business model
- ✓ Accelerating revenue prospects in high-growth markets (i.e., energy transition, urban infra, heavy civil, railways & oil & gas) by combining and developing capabilities
- ✓ Best-in-class talent and management team with breadth, depth and diversified experience

Strong Position in High Growth Businesses



UPSIDE POTENTIAL

- ✓ Robust short and long-term organic growth outlook for infrastructure development globally; Attractive underlying market growth in T&D, Urban Infra, Water & Oil & Gas business
- ✓ Strong balance sheet and robust cash flow to enable future growth in core EPC business
- ✓ Potential for margin expansion through improving business mix and synergies accruing post-merger

Healthy Financial Profile with Robust Growth and Profitability




VALUE CREATION

- ✓ Disciplined capital allocation with further improvement from optimization of working capital and divestment of non-core assets
- ✓ Strong track record, diversification across business and geographies along with robust order book ensure predictable and sustainable business platform
- ✓ Targeting \$3 Bn revenue and ROCE of 22%+ for 2025; Considerable progress across the enterprise to achieve *VISION 2025*


Multiple Levers for Sustainable Value Creation


Financial Results Demonstrate Strong Execution and Resilience of the Business


Standalone¹ Financial Performance – 9MFY23

 Revenue growth led by robust execution domestic and international geographies

 Sustained EBITDA margin despite continuing cost pressures and volatile external environment

 Change in net debt largely attributable to growth capex and incremental working capital requirements in select projects

 Key order wins in focused markets; Order Inflows of ₹ 19,487 Crores (YTD FY23); Additionally a strong pipeline with L1 position of ₹ 5,200 Crores

 Merged Entity – Integration of banking, IT, HR and procurement initiatives at an advanced stage; Benefits to accrued gradually starting Q1 FY24

Sales Growth

12% YoY

₹ 9,941 Crores

PAT Growth

84% YoY

₹ 379 Crores

EBITDA Margin

~8.6%

₹ 853 Crores
+10% YoY

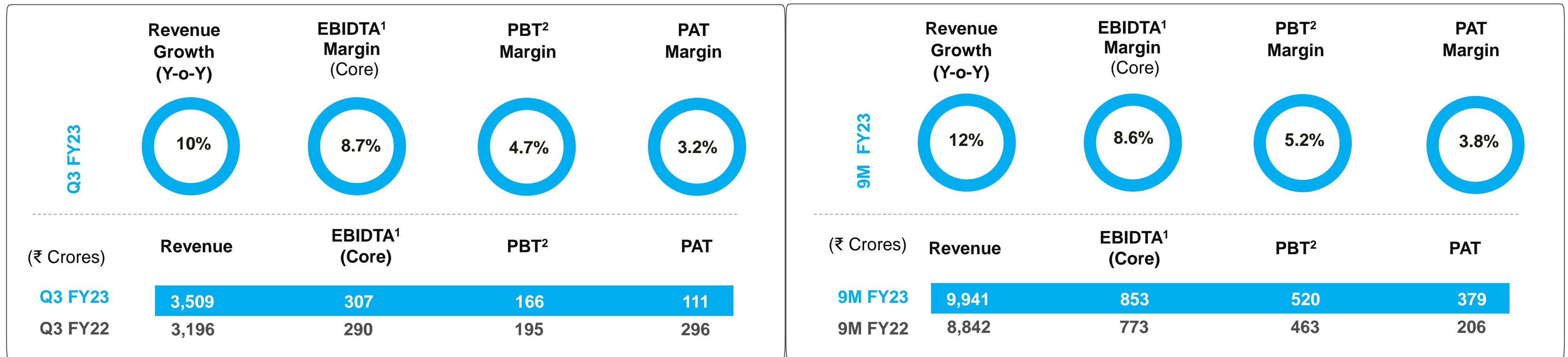
Order Book (Crores)

₹41,442

Additional L1 of ~₹
5,200 Crores

¹Pursuant to the Scheme of Amalgamation (Appointed date 1st April 2022), standalone results represent the combined standalone financials of erstwhile JMC and KPTL

Key Financial Highlights - Standalone



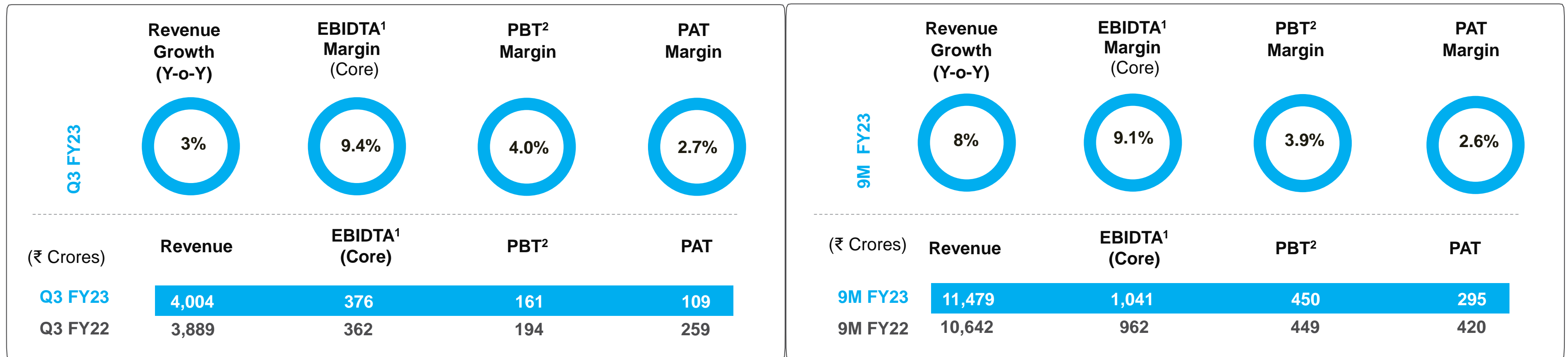
- Standalone revenue grew by 10% in Q3 FY23 and 12% for 9M FY23 on account of healthy project execution in Water, B&F, Oil & Gas and Urban Infra businesses
- EBITDA margin stood at 8.7% in Q3 FY23 and 8.6% for 9M FY23; Robust EBITDA margin despite continuing cost pressure
- PBT (Before Exceptional Items and ECL provisions) at ₹ 166 Crores in Q3 FY23 with margin of 4.7%; For 9M FY23, PBT (Before Exceptional Items & ECL Provisions) at ₹ 520 Crores with margin of 5.2%
- PAT at ₹ 111 Crores in Q3 FY23 and ₹ 379 Crores for 9M FY23; PAT margin at 3.2% in Q3 FY23 and 3.8% in 9M FY23
- Received new orders (including LMG & Fasttel) of ₹ 19,487 Crores for YTD FY23; Order Inflow for Q3 FY23 at ₹ 6,312 Crores and Q4 FY23 till date of ₹ 1,556 Crores
- Order Book (including LMG & Fasttel) of ₹ 41,442 Crores as on 31st December 2022; An additional L1 of around ₹ 5,200 Crores

Note: Pursuant to the Scheme of Amalgamation (Appointed date 1st April 2022), standalone results represent the combined standalone financials of erstwhile JMC and KPTL

¹EBITDA excludes impact of ECL / Impairment Provision for loans & advances and investments

² PBT before exceptional items and ECL Provisions

Key Financial Highlights - Consolidated



- Consolidated revenue grew by 3% in Q3 FY23 and 8% for 9M FY23; Growth impacted due to: (1) Lower order backlog in T&D business, and (2) lower utilization of warehouses in Shree Shubham Logistics Ltd. (SSL)
- EBITDA margin stood at 9.4% in Q3 FY23 and 9.1% for 9M FY23
- PBT (Before Exceptional Items and Expected Credit Loss (ECL) provisions) at ₹ 161 Crores in Q3 FY23 with margin of 4.0%; For 9M FY23, PBT (Before Exceptional Items & ECL Provisions) at ₹ 450 Crores with margin of 3.9%
- PAT at ₹ 109 Crores in Q3 FY23 and ₹ 295 Crores for 9M FY23; PAT margin at 2.7% in Q3 FY23 and 2.6% in 9M FY23
- LMG (Sweden) revenue of ₹ 279 Crores in Q3 FY23 and ₹ 801 Crores in 9M FY23; Order Book at ₹ 840 Crores
- Fasttel (Brazil) revenue of ₹ 95 Crores in Q3 FY23 and ₹ 316 Crores in 9M FY23; Order Book at ₹ 810 Crores

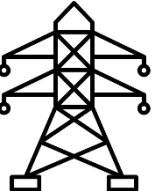





¹ EBITDA excludes impact of ECL / Impairment Provision for loans & advances and investments

² PBT before exceptional items and ECL Provisions

Robust growth prospects across the diversified businesses

Business

Opportunities & Key Updates

 <p>T&D</p>	<ul style="list-style-type: none"> ✓ Budgetary allocation of ₹35,000 Crore for green energy transition & investment of ₹20,700 Core for evacuation and grid integration of 13 GW of renewable energy from Ladakh is positive ✓ Select SEBs (Gujarat, Karnataka, West Bengal, Rajasthan and UP) focusing on new and upgrading existing T&D infrastructure ✓ Evaluating and firming-up qualification for EPC opportunities under National Green Hydrogen Mission ✓ International business visibility remains high; Over US\$ 3 Billion of projects to be bided in Africa, Latin America, MENA & SAARC markets
 <p>B&F</p>	<ul style="list-style-type: none"> ✓ Large & vibrant market in India given higher absorption of commercial real estate driven by IT, Ecommerce, data centers and growing manufacturing sector ✓ Repetitive order wins from large developers, addition of new developers and institutional clients strengthen our market position ✓ Foray in pre-cast technology; Successfully completed hybrid pre-cast building in Bangalore ✓ Focus on expanding in international markets for projects in social housing, hospitals, government offices etc.
 <p>Water</p>	<ul style="list-style-type: none"> ✓ Union Budget 2023 - Allocation of ~ ₹70,000 crores, up 27% for Jal Jeevan Mission (JJM) ✓ Executing over 30 projects across 6 states in India ✓ Enhancing capabilities and bidding for large size projects in India and international markets ✓ Order Book at a record high of ₹ 9,874 Crores; Strong order visibility with L1 of over ₹ 1,100 Crores
 <p>Oil & Gas</p>	<ul style="list-style-type: none"> ✓ High bidding activity with multi-year upcycle; Tender pipeline in excess of USD 3 billion in next 8-9 months in India & overseas market ✓ Currently qualified in 7 countries to bid for Oil & Gas pipeline and related infrastructure works
 <p>Railways</p>	<ul style="list-style-type: none"> ✓ A record allocation of ₹ 2.4 lakh Crores in the recent Union Budget bodes well & improves order visibility ✓ Strengthen presence in technology enabled areas like metro electrification, signaling & telecom, sub-station, ballast-less track etc. ✓ Focusing on opportunities in the international markets
 <p>Urban Infra</p>	<ul style="list-style-type: none"> ✓ Commenced execution of an airport project in Maldives ✓ Currently executing projects in India, Ethiopia, Ghana and Maldives

Business Revenues - Q3 FY23 & 9M FY23

(₹ Crores)

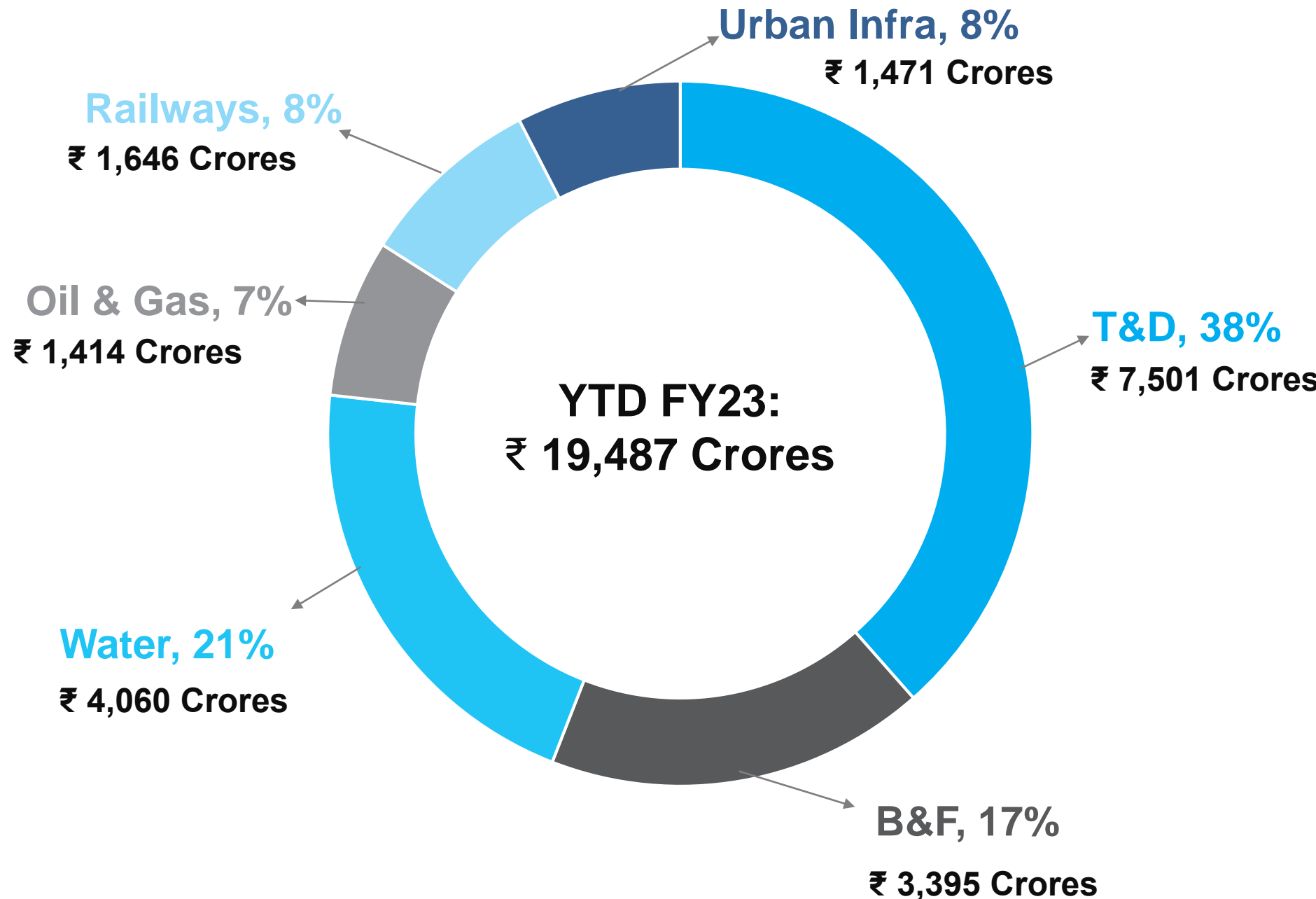
Particulars	Q3 FY22	Q3 FY23	Growth	9M FY22	9M FY23	Growth	Comments
T&D ¹	1,818	1,480	-19%	4,774	4,083	-14%	✓ Revenue impacted given lower order backlog at the start of the year; Current visibility remains robust to achieve revenue growth of 15%+ going forward
B&F	850	1,104	30%	2,371	3,064	29%	✓ Growth driven by robust execution and healthy order backlog in the commercial & residential real estate segment with focus on select international markets
Water	417	588	41%	1,178	1,818	54%	✓ Growth led by strong project progress and robust order book with healthy margins
Oil & Gas	201	214	7%	629	727	16%	✓ Oil & Gas revenue improved given better progress in cross country pipeline projects and timely closure of old projects
Railways	403	388	-4%	1,100	1,105	-0.5%	✓ Lower opening order book led to decline in revenue; Focusing on closure of old projects
Urban Infra	81	116	44%	241	288	20%	✓ Strong revenue growth is driven by improved execution of new projects both in domestic and international markets
Total Core Business	3,770	3,891	3%	10,293	11,084	8%	
Others & Inter-company Eliminations²	119	113	-5%	349	395	13%	
Total Consolidated Revenue	3,889	4,004	3%	10,642	11,479	8%	

¹ T&D business includes LMG (Sweden), Fasttel (Brazil) & Other International Subsidiaries / JVs

² Others mainly includes Shree Shubham Logistics (SSL), Road SPVs, Indore Real Estate etc.

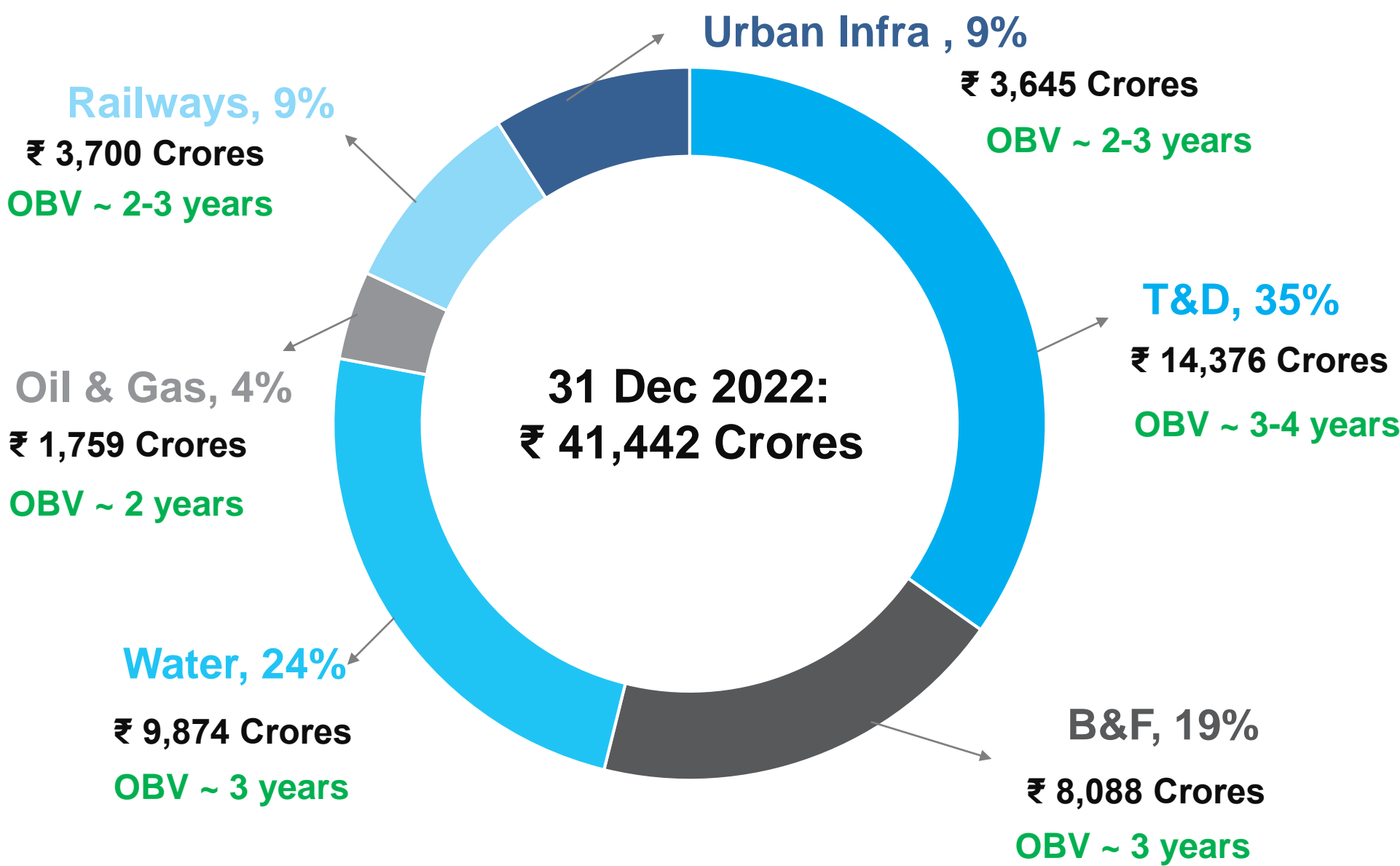
Strong Inflows & All Time High Order Book

Order Inflow (₹ 19,487 Crores)



Domestic	61%
International	39%

Order Book (₹ 41,442 Crores)



Domestic	56%
International	44%

OBV- Order Book Visibility

Received New Orders of ₹ 19,487 Crores till date in FY23 and L1 in excess of ~₹ 5,200 Crores

Key Financials (Standalone) - Q3 FY23 & 9M FY23

(₹ Crores)

Q3 FY22	Q3 FY23	Growth	Particulars	9M FY22	9MFY23	Growth
3,196	3,509	10%	Revenue	8,842	9,941	12%
290	307	6%	Core EBIDTA (excl. Other income & ECL)	773	853	10%
65	74	14%	Finance Cost	181	210	16%
195	166	-15%	PBT (Before Exceptional Items & ECL)	463	520	12%
370	165	-56%	PBT (After Exceptional Items)	300	518	73%
296	111	-63%	PAT	206	379	84%
9.1%	8.7%	-40 bps	Core EBIDTA Margin	8.7%	8.6%	-10 bps
6.1%	4.7%	-140 bps	PBT Margin (Before Exceptional Items)	5.2%	5.2%	-
11.6%	4.7%	-690 bps	PBT Margin (After Exceptional Items)	3.4%	5.2%	+180 bps
9.3%	3.2%	-610 bps	PAT Margin	2.3%	3.8%	+150 bps

Particulars	Q3 FY22	Q2 FY23	Q3 FY23	Difference	
				y-o-y	q-o-q
Loan Funds ¹	1,924	2,707	2,858	934	151
(+) Long Term borrowings	474	612	830	356	218
(+) Short Term borrowings incl. current maturities	1,450	2,095	2,028	578	(67)
(-) Cash, Bank & Other Deposits	774	661	805	31	144
Net Debt	1,150	2,046	2,053	903	7

Notes:

- Pursuant to the Scheme of Amalgamation (Appointed date 1st April 2022), standalone results represent the combined standalone financials of erstwhile JMC and KPTL
- Exceptional item for Q3 FY22 includes gain from sale of Kohima-Mariani Transmission Ltd. (KMTL) and shortfall in termination payment and expected credit loss for Kurukshetra Expressway Private Ltd. (KEPL)

¹Loan funds exclude interest-free loan received pursuant to agreements in relation to the divestment of T&D Assets

Key Financials (Consolidated) - Q3 FY23 & 9M FY23

(₹ Crores)

Q3 FY22	Q3 FY23	Growth	Particulars	9M FY22	9M FY23	Growth
3,889	4,004	3%	Revenue	10,642	11,479	8%
362	376	4%	Core EBIDTA (excl. Other income & ECL)	962	1,041	8%
102	119	17%	Finance Cost	298	335	12%
194	161	-17%	PBT (Before Exceptional & ECL Provision)	449	450	-
348	159	-54%	PBT (After Exceptional & ECL Provision)	539	430	-20%
259	109	-58%	PAT	420	295	-30%
9.3%	9.4%	+10 bps	Core EBIDTA Margin	9.0%	9.1%	+10 bps
5.0%	4.0%	-90 bps	PBT Margin (Before Exceptional & ECL Prov.)	4.2%	3.9%	-30 bps
8.9%	4.0%	-490 bps	PBT Margin (After Exceptional & ECL Prov.)	5.1%	3.7%	-140 bps
6.7%	2.7%	-400 bps	PAT Margin	3.9%	2.6%	-130 bps

Particulars	Q3 FY22	Q2 FY23	Q3 FY23	Difference	
				y-o-y	q-o-q
Loan Funds ¹	2,982	3,714	3,860	878	146
Net Debt	2,044	2,905	2,896	852	(9)

Note: Exceptional item for Q3 FY22 mainly includes gain from sale of Kohima-Mariani Transmission Ltd. (KMTL) and shortfall in termination payment and expected credit loss for Kurukshetra Expressway Private Ltd. (KEPL)

¹Loan funds exclude interest-free loan received pursuant to agreements in relation to the divestment of T&D Assets

Update on Road BOOT Assets - Q3 FY23

Average Per Day Collections (₹ Lakhs) – Company's Share

Period	Brij Bhoomi Expressway Pvt Ltd.	Wainganga Expressway Pvt Ltd.	Vindhyachal Expressway Pvt Ltd.	Total
Q2 FY20	7.6	15.0	15.0	37.6
Q3 FY20	8.4	16.1	17.4	41.9
Q4 FY20	9.0	17.3	16.5	42.8
Q1 FY21	5.7	10.8	14.2	30.7
Q2 FY21	8.9	17.4	16.0	42.3
Q3 FY21	10.7	20.1	17.9	48.7
Q4 FY21	10.5	20.8	17.1	48.4
Q1 FY22	8.4	16.0	15.8	40.2
Q2 FY22	8.7	18.5	16.9	44.1
Q3 FY22	9.2	18.1	19.0	46.3
Q4 FY22	8.6	19.7	19.7	48.0
Q1 FY23	10.5	22.5	23.7	56.8
Q2 FY23	9.4	20.5	19.9	49.7
Q3 FY23	9.9	21.6	21.1	52.6

- Average Per Day Revenue at ₹52.6 lakhs for Q3 FY23, growth of 14% YoY
- Total investment in Road BOOT Assets (Excluding KEPL) at the end of December 2022 is ₹ 669 Crores (investment of ₹ 60 Crores in 9M FY23)
- Wainganga Road Project (WEPL): Received consent for restructuring from majority of lenders; Expediting closure of restructuring
- Kurukshetra Road Project (KEPL): Project terminated and handed over to NHAI; Arbitration invoked in June 2022

Key Strategic Pillars	Focus Areas		
Creating Positive Impact	<p>Carbon Emission</p>	<p>Water Stewardship</p>	<p>Waste Management</p>
Engaging with Stakeholders	<p>Health & Safety</p>	<p>Human Capital Management</p>	<p>Local Community Engagement</p>
Performing Responsibly	<p>Responsible Business Practice</p>	<p>Responsible Portfolio</p>	<p>Responsible Sourcing</p>

Robust Governance

- Diverse Board and Experienced Management Team
- Anti-Bribery Management System (ABMS) Committee for implementing ABAC¹ framework
- Code of Conduct, Whistleblower Policy & other² relevant policies
- Periodic Communication with Stakeholders

² Detailed governance policies available on KPTL website

Integrated Reporting & Disclosures



Aligned to frameworks

¹: Anti-Bribery and Anti-Corruption Policy

Sustainable & Inclusive Development

<p>Healthcare</p>		<ul style="list-style-type: none"> • Run subsidized dispensaries with state-of-the-art MRI machine • Free cataract eye surgeries, early detection of cancer in children & training Person's suffering from Parkinson's • Impacted 100,000+ beneficiaries*
<p>Education</p>		<ul style="list-style-type: none"> • Inclusive infrastructure with special focus on STEM education & digital classroom • Providing innovative equipment to visually challenged & hearing impaired children • Impacted 8000+ children*, including children with special needs
<p>Skill development</p>		<ul style="list-style-type: none"> • Empowering youth & women through skill development & livelihood enhancement in technical and non-technical trades • Impacted 300+ youth & women*
<p>Community Development (around our Plants & sites)</p>		<ul style="list-style-type: none"> • Contributing to the social welfare of the communities in and around our Plants & site locations • Supports initiatives preventing animal cruelty, provides safe shelter to animals, infrastructure development in sanitation and drinking water

*Note: Info pertains to FY22

Health & Safety

Goal : "Zero Harm"

<p>Process Driven Approach</p>	<p>Robust Review Mechanism</p>	<p>Engineering Control Mechanism</p>	<p>Focus on Training</p>
<ul style="list-style-type: none"> • Digital reporting tool for observations & incidents • Daily Safety reporting from all sites • Work stoppage guideline for any work causing potential incident • EHS induction movie; shoot actual work activity with safety measures 	<ul style="list-style-type: none"> • Formation of EHS steering committee at business/ site levels • Fire safety audits across business buildings • Periodical reviews & monitoring by the senior management and business heads 	<ul style="list-style-type: none"> • Provision and use of safety measures for fall control at transmission tower erection activities • Provision of technology at tower location to monitor work practices • Use of Right Personal protective equipment (PPE) - during work near in live lines 	<ul style="list-style-type: none"> • Organised different job specific webinar session for all levels of employees • Organised Job specific class room session • Virtual Reality (VR) simulation used for trainings • Safety training modules



Thank You

Conference Call

Date: 9th February 2023 | Time : 05:00 PM (IST)
Dial in Number: +91 22 6280 1325 / +91 22 7115 8226
(accessible from all networks and countries)

Contact

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