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September 13, 2022

**National Stock Exchange of India Limited**  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

**Symbol: KEC**

**Scrip Code: 532714**

Dear Sir / Madam,

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Investor presentation**

In continuation to our letter dated September 12, 2022, and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the presentation to be made by the Company during the RPG Annual Investor Conference 2022.

Kindly take the same on records.

Thanking you,

Yours faithfully,  
**For KEC International Limited**

**Amit Kumar Gupta**  
**Company Secretary & Compliance Officer**

Encl: as above



hello happiness

# KEC International Limited RPG Annual Investor Conference

14 September 2022

# Disclaimer

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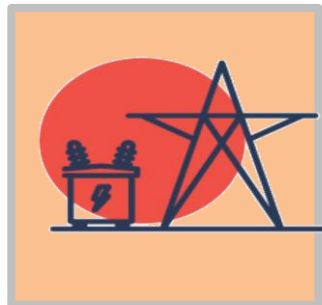
KEC – Overview and Journey

2

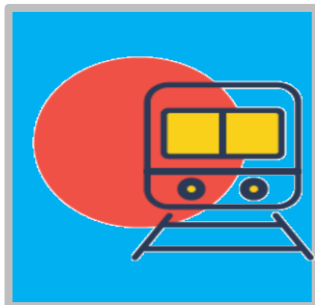
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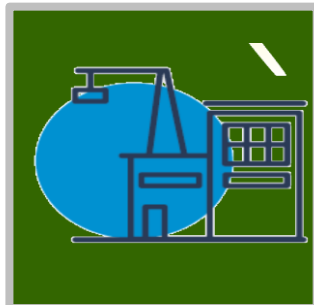
Way Forward



Power T & D



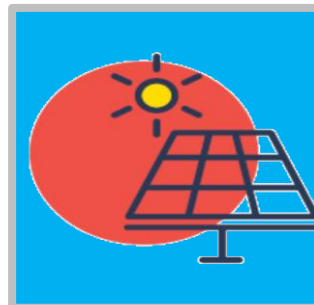
Railways



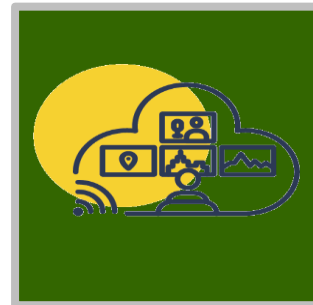
Civil



Cables



Solar



Smart Infra



Oil & Gas Pipelines

# KEC – Building the World of Tomorrow

**1.8 bn**  
Global EPC  
Major

**7+**  
Decades of  
Experience

**110+**  
Footprint in  
countries

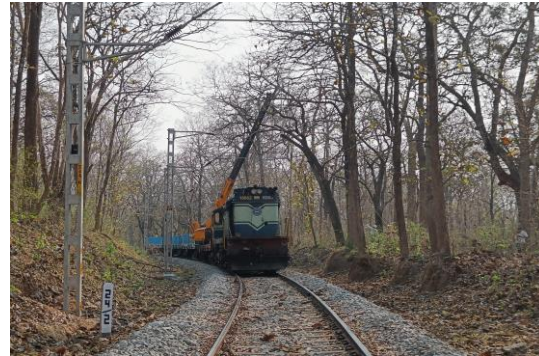
**290+**  
Ongoing  
projects

**8**  
Manufacturing  
Plants

**9,000+**  
Employees



**Transmission & Distribution**



**Railways**



**Civil**



**Urban Infra**



**Cables**



**Solar**



**Smart Infra**

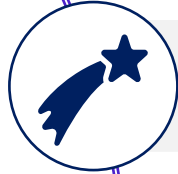


**Oil & Gas Pipelines**

# Our Strategic Journey



**Synergistic Diversification/ Acquisitions in New Business and Segments**



**Sustained focus on North Star Goal of Ahead of Time Delivery – Customer Delight**



**Embedding sustainable practices towards Environment, Safety & Governance**

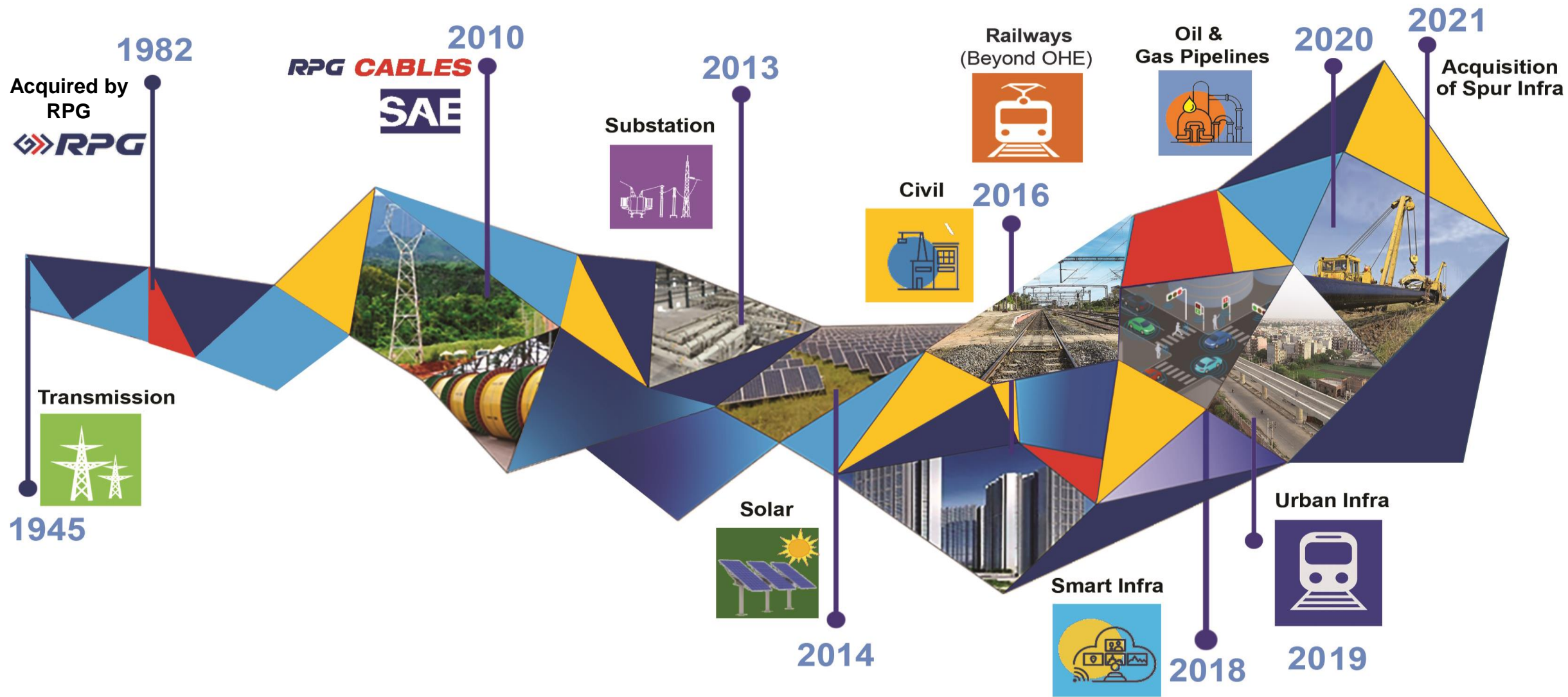


**Consistent focus on Revenues, Profitability and Order Book**

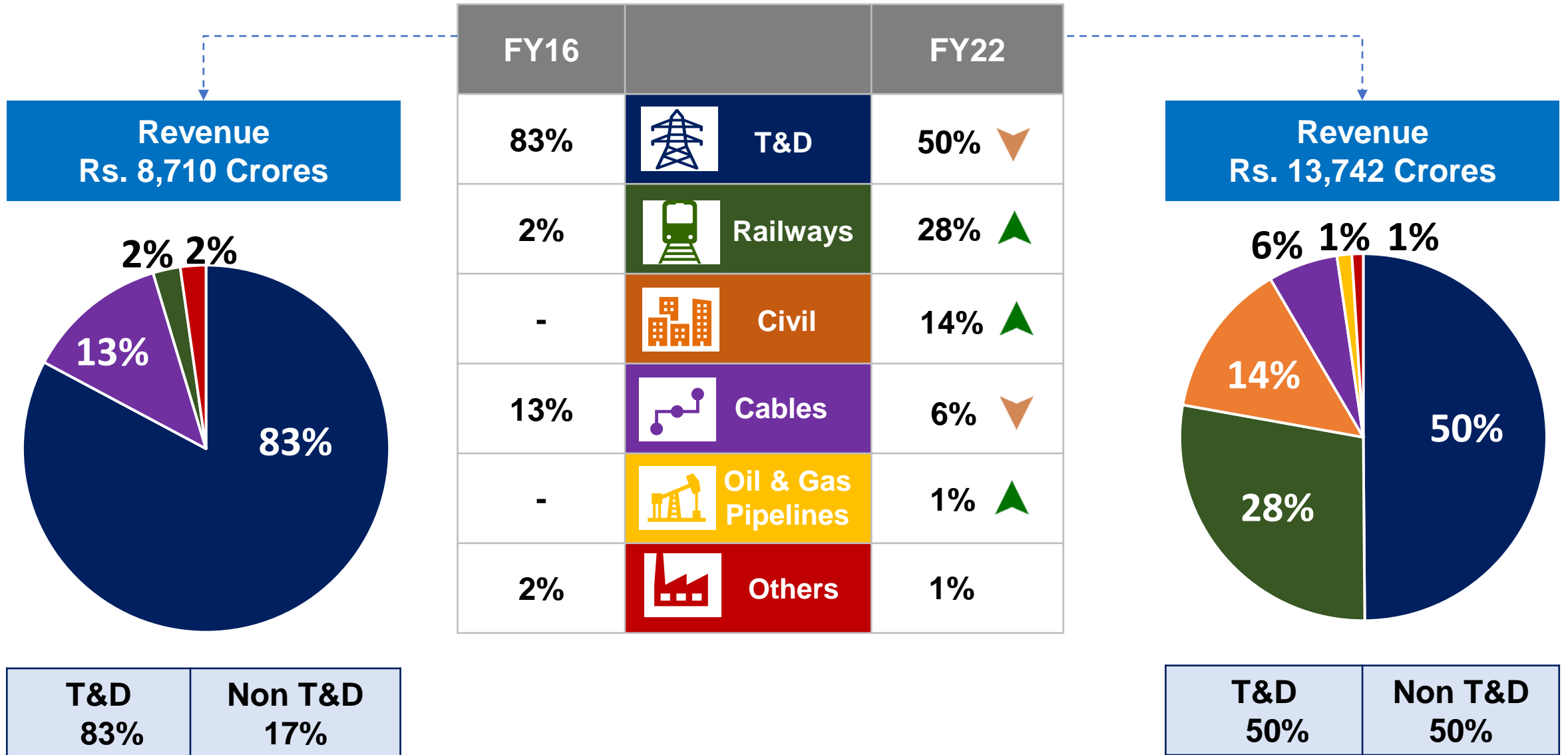


**Concerted efforts on Deleveraging and Capital Efficiency**

# Diversified into 5 New Businesses from 2016



# Quantum Leap in Non T&D Revenues – Share increased to 50%





# Targeted Acquisitions to Drive Growth and Improve Competitiveness

Dubai Tower Manufacturing Facility



- Acquired transmission tower manufacturing facility in mainland Dubai in FY20; Ramped up its production capacity from 36,000 MTs to 50,000 MTs this year
- Secured orders of ~Rs. 600 Cr in last 18 months from third party customers including maiden EPC orders
- Leveraged Dubai facility to significantly enhance business in MENA

KEC Spur Infra, Oil & Gas Pipelines



Kandla (Gujarat) - Gorakhpur (Uttar Pradesh) LPG Pipeline project

- Acquired KEC Spur Infrastructure Pvt. Ltd., an EPC company for accelerated growth of the business
  - Profitable track record
  - Healthy order book of Rs. 600 Cr (Currently >Rs. 1,000 Cr)
  - Relevant Pre-Qualifications
- Annual domestic market opportunity of ~Rs. 6,000 Cr.
- Secured Order intake of over Rs. 600 Cr post acquisition
- Establishing International presence

# Execution Excellence

## Delivering projects ahead of schedule - leveraging Mechanization and Digitalization

### Mechanization

#### Building capabilities on Pre-cast



#### Formwork technology in Residential – 1 slab in 7 days



#### Drones go to work



#### Dual wiring in Railway OHE projects

#### Usage of Helicopter for surveys

### Digitalization

#### Raksha



Digital Platform for End-to-end EHS Management

#### iQuality

AI enabled platform for identifying defects and anomalies and auto generate punchlist



#### MyZone



Digital workspace for KEC employees and partners

#### BIM Technology

Deployment of BIM Technology for Metro Rail and Substation projects



# Our ESG Journey



**FY 2020**

- ✓ Embarked on ESG & Sustainability journey
- ✓ Strengthened existing ESG practices

**FY 2021**

- ✓ Developed long-term vision and goals with measurable targets as part of sustainability roadmap for the next 3-5 years

**FY 2022**

- ✓ Several initiatives deployed
- ✓ Improvement in ESG rating by S&P Global DJSI
- ✓ Ranked in the Top 50 most sustainable companies in India by Business World

## ESG Focus Areas



Happiness Quotient



Health & Safety



Diversity & Inclusion



CSR



Circularity



Water Positive Approach



Energy Consumption



Carbon Emission



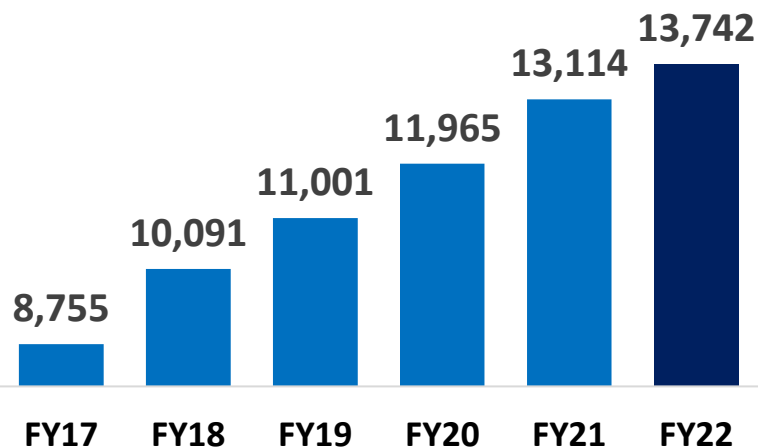
Sustainable Procurement

# Delivering Sustainable Growth

## Revenue (₹ Crore)

CAGR 9%

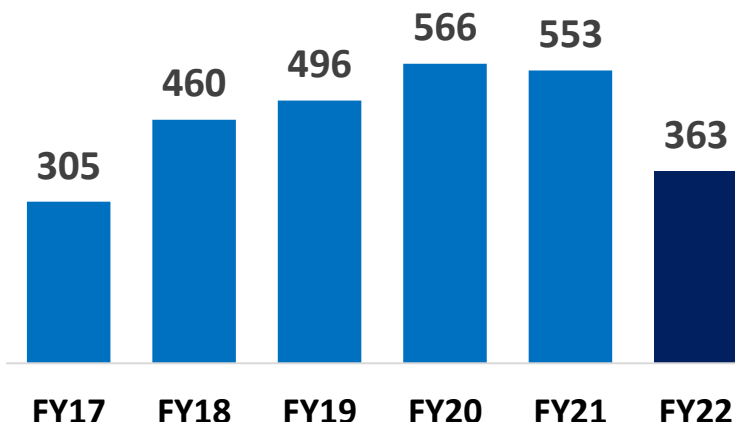
CAGR 11%\*



## PAT # (₹ Crore)

CAGR 4%

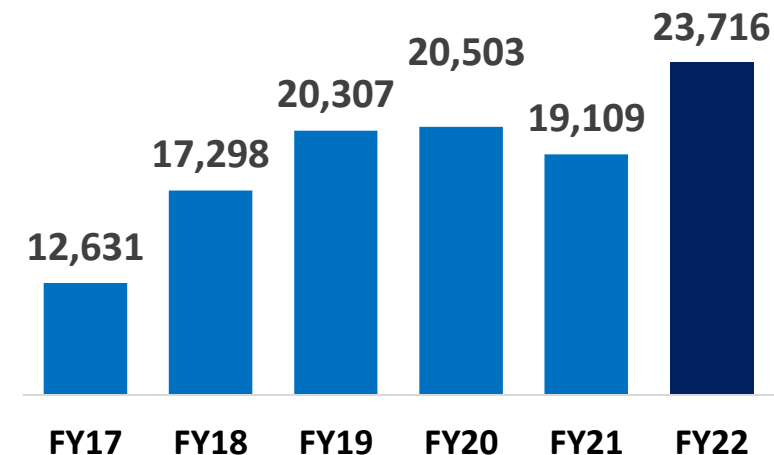
CAGR 23%\*



## Order Book (₹ Crore)

CAGR 13%

CAGR 18%\*

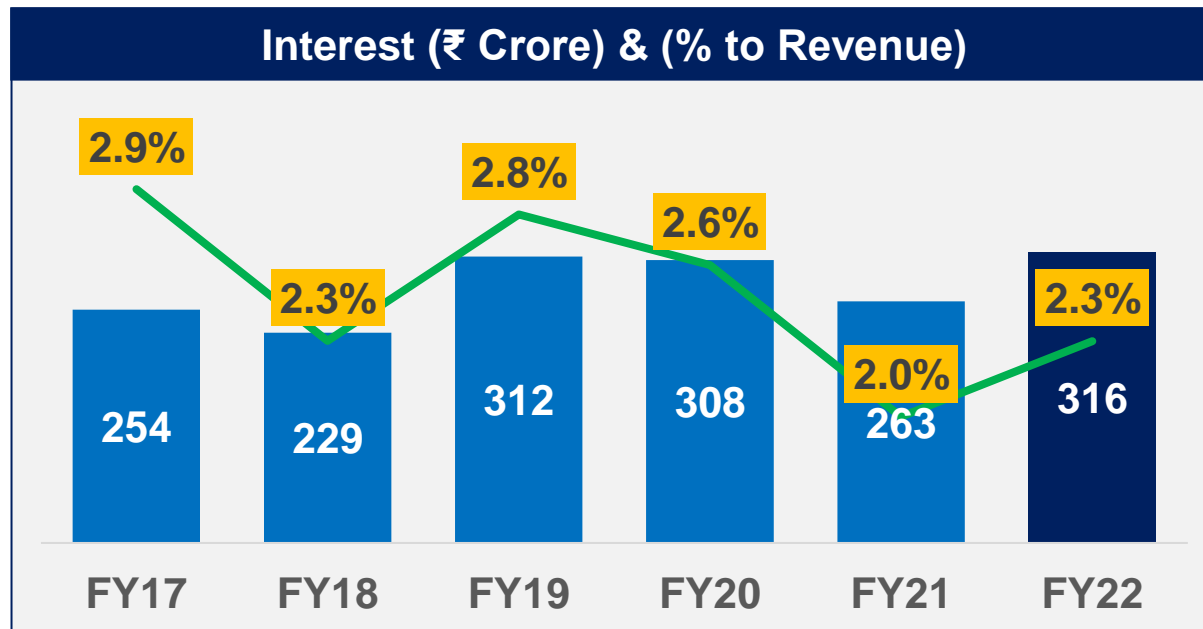
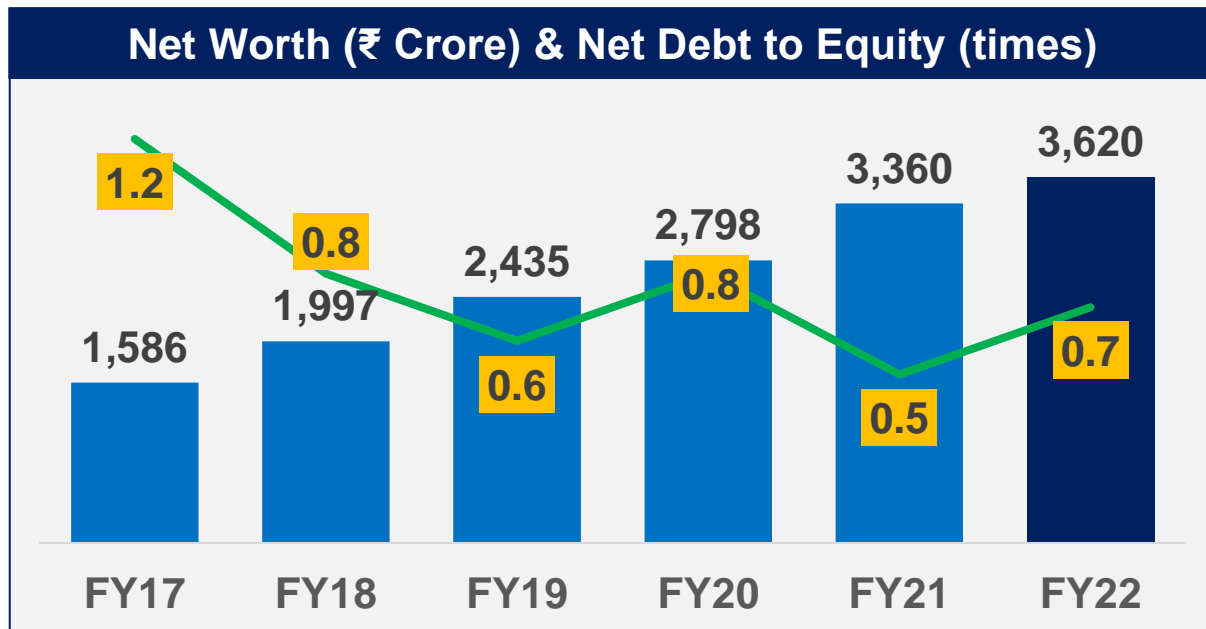


#PAT of FY22 excludes impact of exceptional item

\*3 Year CAGR Pre-COVID

- ❑ Delivering Sustainable Growth across Revenue, PAT (Excluding COVID impact) and Order Book
- ❑ Steady performance in FY22 and Q1 FY23 amidst a challenging environment
  - Revenue growth of 5% in FY22 and 31% in Q1 FY23
  - Profitability impacted due to SAE Brazil EPC and Increase in Commodity prices/ Freight costs
  - Highest ever Order Intake in FY22 of over Rs. 17,200 Cr - Growth of ~45%; YTD FY23 Order Intake of ~Rs. 6,000 Cr
  - Highest ever Order Book + L1 of over Rs. 30,000 Cr as on date

# Strengthening Balance Sheet



👍 Debt to Equity improved from 1.2 times to 0.7 times

👍 Interest as % to Revenue reduced by ~25% in 5 years

Current Credit Rating at 'AA-'

No Equity dilution for over 2 decades

Clean Asset Light Business Model

Debt level is slightly elevated currently owing to a few one-off reasons – Confident of normalizing in H2 FY23

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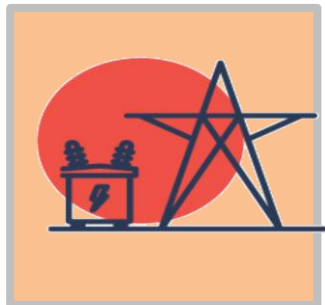
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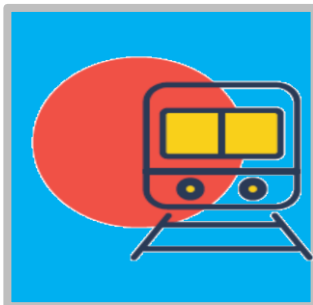
**Business Highlights**

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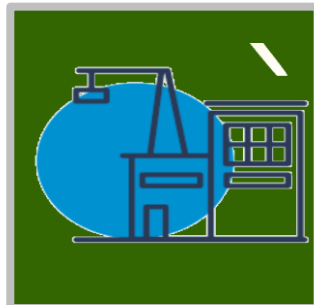
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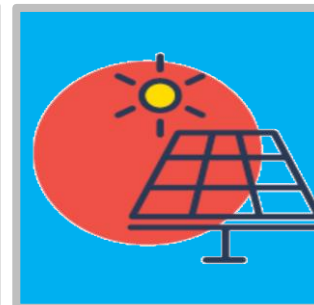
Railways



Civil



Cables



Solar



Smart Infra



Oil & Gas Pipelines

# Civil & Urban Infra – Scaling Newer Heights

Diverse Portfolio of Offerings

URBAN  
INFRASTRUCTURE  
& WATER



Metros



Water

INDUSTRIAL &  
HYDROCARBON



Industrial Plants, Factories &  
Warehouses



Hydrocarbons

RESIDENTIAL &  
PUBLIC SPACES



Residential Buildings



Airports, Malls & Hospitals

DEFENCE &  
DATA CENTRE



Defence



Data Centre

# Civil & Urban Infra – Structured Growth Story

**7x**

Revenue  
Growth

FY18 – Rs. 268 Cr  
FY22 – ~Rs. 1,900 Cr  
Q1 FY23 – ~Rs. 600 Cr

**10x**

Capability  
Built

FY18 – 110 people  
Current – 1100+ people

**40+**

Projects  
Ongoing

20+ projects delivered  
successfully

**23x**

Order Book  
Growth

FY18 – ~Rs. 400 Cr  
Current – ~Rs. 9,000 Cr

Civil

Mechanical  
& Electrical

Lumpsum

Civil  
business  
launched

✓ Success with  
Industrial plants  
and Factories

✓ Entered High  
Rise Residential  
Buildings  
& Townships

✓ Forayed in  
Urban infra  
  
✓ Bagged maiden  
orders in  
Defence & Data  
centre segments

✓ Breakthrough  
in Water  
Pipelines  
  
✓ Preferred  
contractor in  
Industrial –  
Auto & Cement

✓ Forayed in Public  
spaces – Airport &  
High court  
  
✓ Widened presence  
in Industrial &  
Residential  
  
✓ Expanded footprint  
in Data centres

FY 2018

FY 2019

FY 2020

FY 2021

FY 2022



# Urban Infra - Mastering Metro Execution



**Kochi Metro Project**  
-Handed over the Kochi viaduct before schedule  
- *Inaugurated by Hon'ble PM Shri Narendra Modi*

- Capable of executing large, complex and technologically intensive urban infra projects
- Currently executing 9 large civil projects in Urban infra (7 Metro and 2 Depot projects)
- Built significant capabilities in people, assets, processes and technology

# Water Pipelines – Promising Sector

- Foray in Water EPC segment, one of the most promising sector with significant investments
- Orders/ L1 of over Rs. 2,500 Cr. - Building cross country water transmission and distribution pipelines
- Providing water supply to ~6,00,000 households across various villages under the Jal Jeevan Mission



Water Project at Roorkee



Water Project at Odisha

# Public Spaces and Defence

- Breakthrough in the growing public spaces segment with orders in Airports, High Courts & Govt. buildings
- Strengthened presence in Defence with largest ever order from MES



**Tuticorin Airport**



**Sri Nagar High Court**



**Civil works for a Defence client**

*\*Images are for representative purpose*

# Data Centres

Data centre project, Defence client



Data centre project, Private client



- Executing Data centre projects for Govt. and Private clients – Secured repeat orders
- Integrated value proposition for clients including Civil Infra, MEP, Substation, Cables and Solar
- Building relationship and strategic tie-up with large multinational clients

# Railways – Diversification on Track

- **Robust Execution**
  - Revenue CAGR of 60% in last 6 years (Rs. 210 Cr in FY16 to Rs. 3,860 Cr in FY22)
  - Achieved Revenues of over Rs. 700 Cr in Q1 FY23, Growth of 19%
- **Delivering double digit margins**
- **Diversified and Healthy Order book + L1 of over Rs. 7,000 Cr to drive growth**
- **Witnessing a gradual pick up in the tendering activities and are confident of securing a larger share of orders in the coming months**



Construction of new railway line between Kendrapara to Paradeep, Odisha

# Electrification Mission

Largest contributors to Indian Railways Electrification Mission  
Electrified ~23% of the Indian Railway Network in FY22



**Villupuram-Thanjavur Railway Electrification project, Tamil Nadu  
Inaugurated by Hon'ble PM Shri Narendra Modi**

# Transformation in Railways

✓ **Focus on Conventional** – OHE & Composite projects (Track laying, S&T, etc.)

✓ **Backward integration** - manufacturing facility Contact & Catenary conductors

✓ **Market leader in OHE works**

✓ **Deepened capabilities in Civil infrastructure** such as bridges, platforms, stations & workshops

✓ **Diversified portfolio** to include Doubling, Tripling and New Railway lines

✓ **Forayed in technologically enabled areas:**

- **Orders in Metro** OHE, Power supply, Third rail & BLT
- **Order in DFCC-S&T**

✓ **Diversified clientele to private sector**

✓ **Widened presence in Conventional Railways**

- **Speed upgradation** for High-Speed Rail - Mission '*Raftaar*'
- **TCAS** (Train Collision Avoidance System) under '*Kavach*'
- **Tunnel ventilation**
- **Port connectivity**
- **Railway siding**

2017

₹ 446 Cr

2019

₹ 1,918 Cr

2020

₹ 2,551 Cr

2021

₹ 3,409 Cr

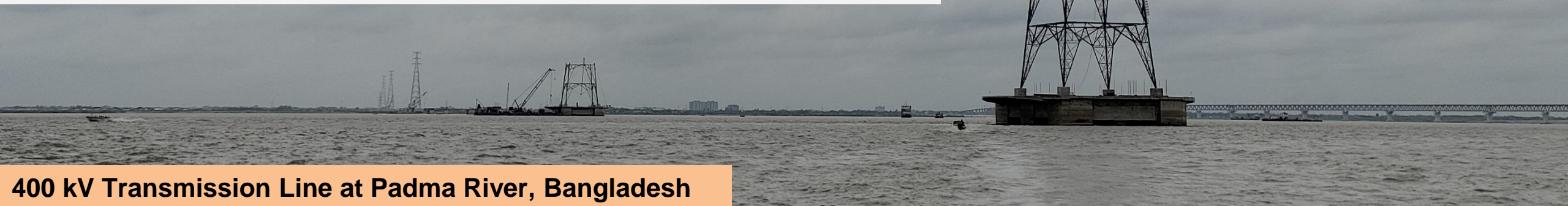
2022

₹ 3,860 Cr

- Successfully transformed into a technology player from a conventional EPC player
- Expanded portfolio in Conventional Railways
- Concerted efforts on International – Confident of breakthrough in FY23

# Transmission & Distribution – Powering the Globe

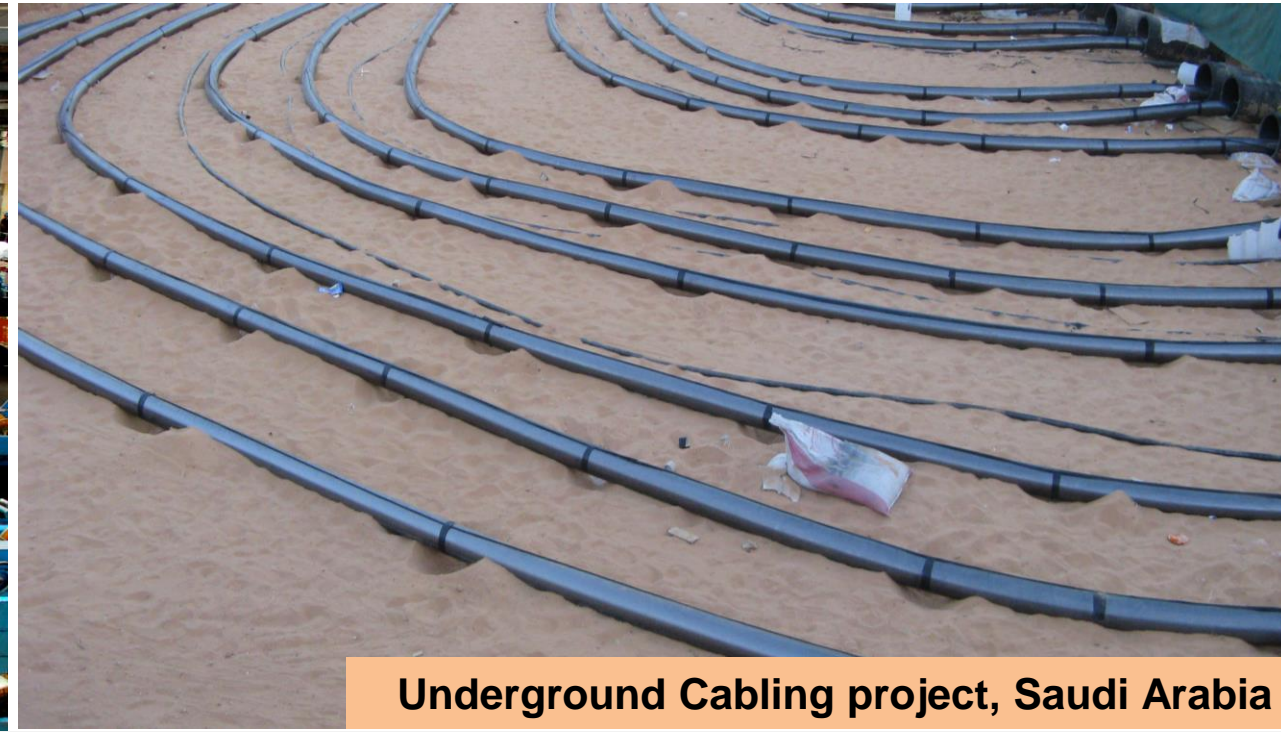
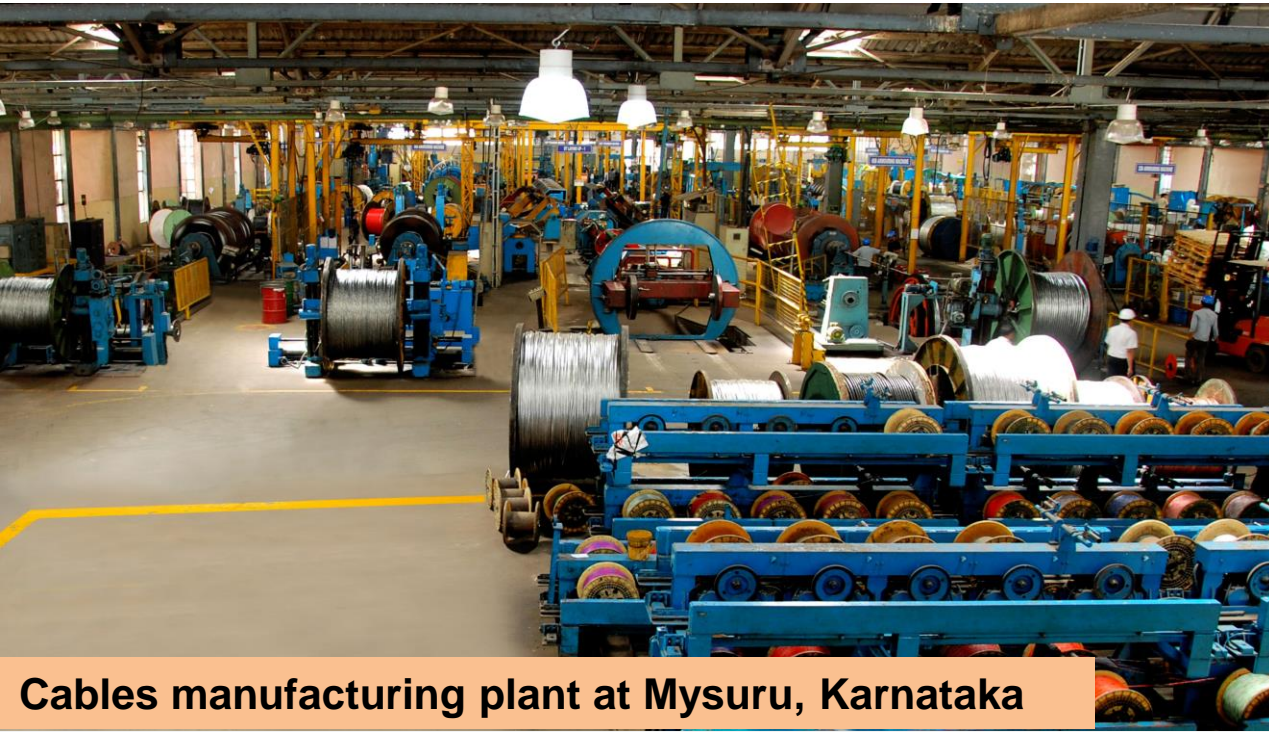
- **Global EPC footprint in 70 countries**
  - **Successfully entered/re-entered over 20 countries in the last five years, including two new countries in FY22**
- **Strengthened presence in India with large orders from PGCIL, private players and state utilities including Green Energy Corridor projects**
  - **Secured a prestigious order to build India's first 765kV Digital GIS Substation from PGCIL in Q1 FY23**
- **Significant order wins in international markets such as Saudi Arabia, UAE, Bangladesh and Americas**



400 kV Transmission Line at Padma River, Bangladesh



# Cables – Gaining Momentum



Cables manufacturing plant at Mysuru, Karnataka

Underground Cabling project, Saudi Arabia

- Achieved highest ever Revenues and Profitability in FY22; Momentum continues in Q1 FY23
- Strategic partner to Railways and T&D
- Strengthening Backward Integration - Commissioned additional capacity for Railway contact & catenary conductors and signaling cables
- Sustained focus on New Product Development – 15 New Products in last two years
- Reinforced presence in Cabling solutions segment

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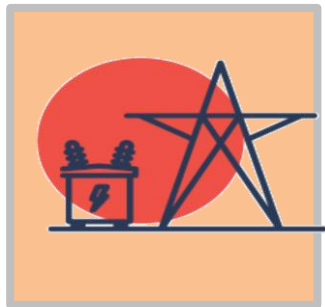
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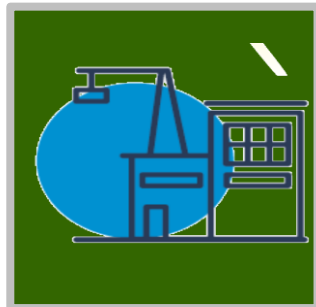
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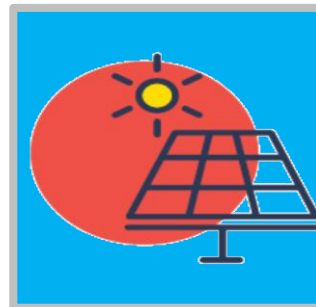
Railways



Civil



Cables



Solar



Smart Infra



Oil & Gas Pipelines

# Current Outlook

## TAILWINDS



- Softening of commodity prices such as Steel, Aluminium and Copper
- Capex resurgence
  - Government's thrust on Infrastructure continues
  - Return of Private capex
- Enhanced GCC capex backed by high oil prices
- Uptick in tendering activities of Domestic T&D and Railways
- Gradual revival in outlook of SAE Towers



## HEADWINDS

- Increase in Working Capital
- Rising interest rates especially in SAE Brazil
- Elevated logistics costs
- Geopolitical instability

- ✓ Commenced execution of projects which had been secured based on current/ higher commodity & logistics costs
  - ✓ Robust Order Book and L1 Position of over Rs. 30,000 Cr – Revenue visibility for next 7 to 8 quarters
    - ✓ Tenders under Evaluation & Tenders in Pipeline of over Rs. 110,000 Cr

# Robust Demand – Exciting Times Ahead



## Civil & Urban Infra

**Civil & Urban infra will be the largest growth driver**

- Large investments in urban infra and water pipelines
- Focus on Make-in-India & PLI
- Uptick in private capex
- Significant opportunities in overseas markets



## Transmission & Distribution

**T&D traction to continue**

- Traction in Middle East, Americas, SAARC and EAP
- Revival in Domestic T&D market with significant opportunities in Green Energy Corridor Phase II and Leh Ladakh HVDC lines



## Railways

**Railways picking up**

- Large investments in Technologically enabled/ emerging segments of Metros (Power Supply, Ballastless tracks, Third rail, Signaling, etc.)
- Increasing capex in conventional
- International opportunities especially in SAARC & Africa



## Oil & Gas Pipelines

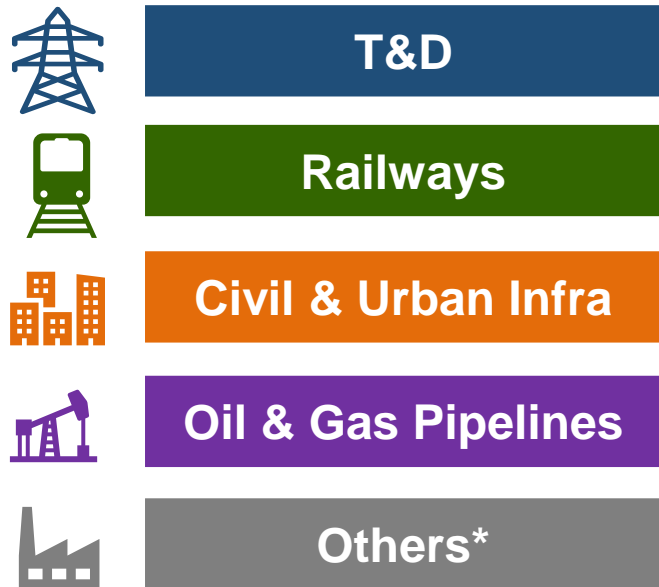
**Oil & Gas Pipelines to provide new opportunities**

- Govt.'s ambitious target to increase Gas in energy mix from current 6% to 15% by 2030
- Significant pipeline projects planned for North-East India
- International opportunities with increase in crude prices

# Portfolio Diversification – Accelerating Growth

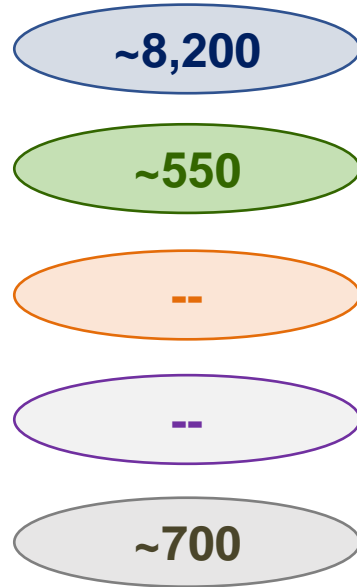
Developed a well-diversified portfolio to de-risk and accelerate growth

(₹ crore)



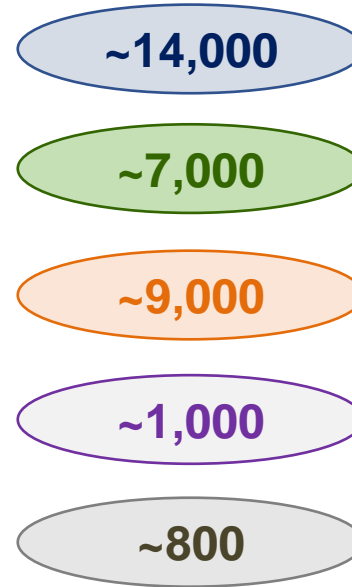
\*Others include Cables, Solar & Smart Infra  
#Order book includes L1

## FY16 Order Book



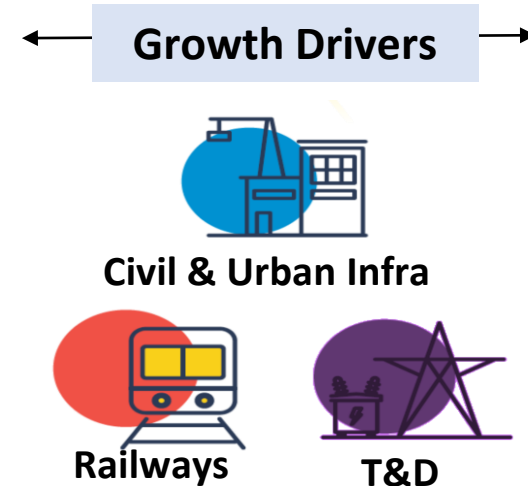
**9,000 +**

## Current Order Book#



**30,000 +**

## Over next 3 years



Targeting an order book in excess of >> Rs. 40,000 Cr

Tenders under Evaluation & Tenders in Pipeline of over Rs. 110,000 Cr

# Looking Ahead...

## Strategic Priorities

**Profitable Growth through focused Business & Geographical Diversification**

**Strengthening Balance Sheet through Sustained Cash Flow Generation**

**Transform KEC from a 'traditional' to a digital/ tech-enabled company**

**Employee Happiness – Being an Employer of Choice**

**Sustainable Value Creation for all Stakeholders**

## Value Enablers

### WORLD CLASS ENGINEERING



**Sustainable & difficult to replicate competitive advantage to win in the market**

### ESG



**Consistent Strong practices across ESG pillars**

### MECHANISATION & DIGITALISATION



**Leveraging mechanization & digital technologies for building infrastructure of future**

**Continue Transformational Journey to maintain Leadership**



**hello happiness**