



# GPT Infraprojects Limited

## Business Update Presentation Q3 FY 2016

February 10, 2016

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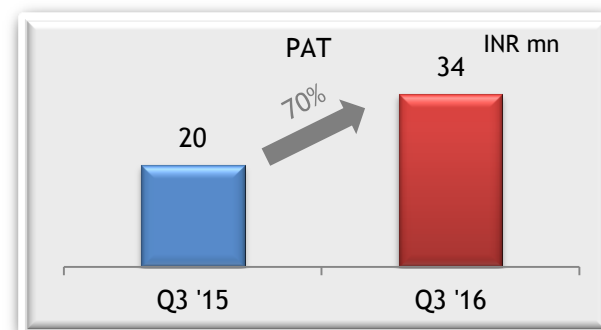
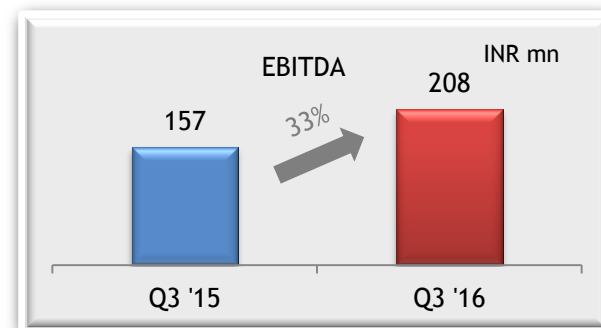
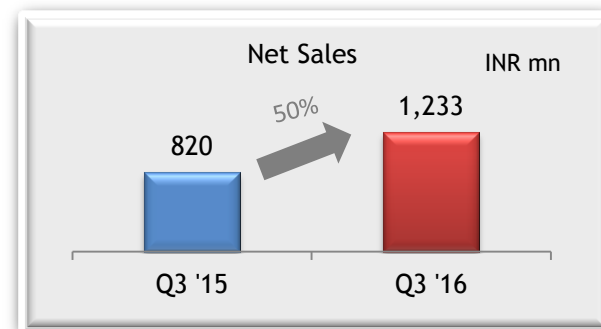
Growth Strategy

# Q3 FY 2016 Financial Highlights



# Q3 FY16 Financial Highlights

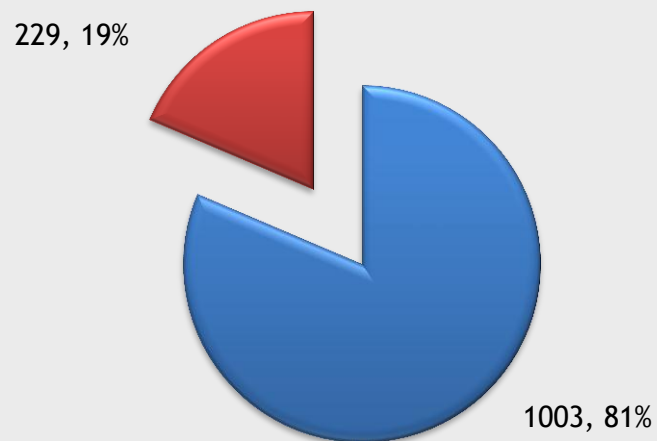
INR Million	Q3 '16	Q3 '15	YoY%	9M '16	9M '15	YoY%
Revenue	1,231.6	818.5	50.5%	3,248.5	2,552.2	27.3%
Other Operating Income	1.3	1.6	-17.8%	4.5	7.1	-36.8%
Net Sales	1,232.9	820.1	50.3%	3,252.0	2,559.3	27.1%
Operating expenses	1,024.5	662.9	54.5%	2,718.2	2,108.7	28.9%
EBITDA	208.5	157.2	32.6%	534.8	450.7	18.7%
<b>EBITDA margin</b>	<b>16.9%</b>	<b>19.2%</b>		<b>16.4%</b>	<b>17.7%</b>	
Depreciation	56.5	46.9	20.4%	162.2	147.0	10.4%
Other Income	8.3	8.5	-1.8%	41.8	49.4	-15.4%
Interest	110.3	98.7	11.8%	293.9	304.9	-3.6%
PBT	50.0	20.1	148.7%	120.5	48.2	149.9%
Tax Expenses (Credits)	15.5	-0.1		25.6	5.0	
PAT	34.5	20.2	70.4%	94.9	43.2	119.8%
Minorities	-0.8	1.1	-178.9%	5.4	3.5	50.9%
PAT after Minorities	35.3	19.2	84.3%	89.6	39.7	126.0%
<b>PAT Margin</b>	<b>2.9%</b>	<b>2.3%</b>		<b>2.7%</b>	<b>1.5%</b>	



# Q3 FY16 Revenue Breakup

## As per Businesses

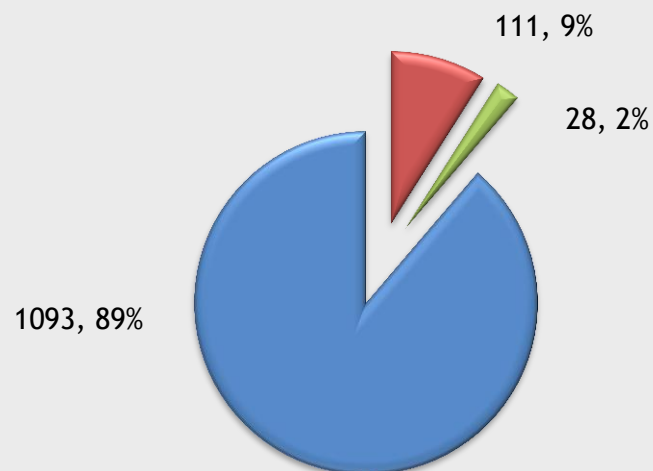
INR mn



■ Infrastructure   ■ Concrete Sleepers & Allied

## As per Geographies

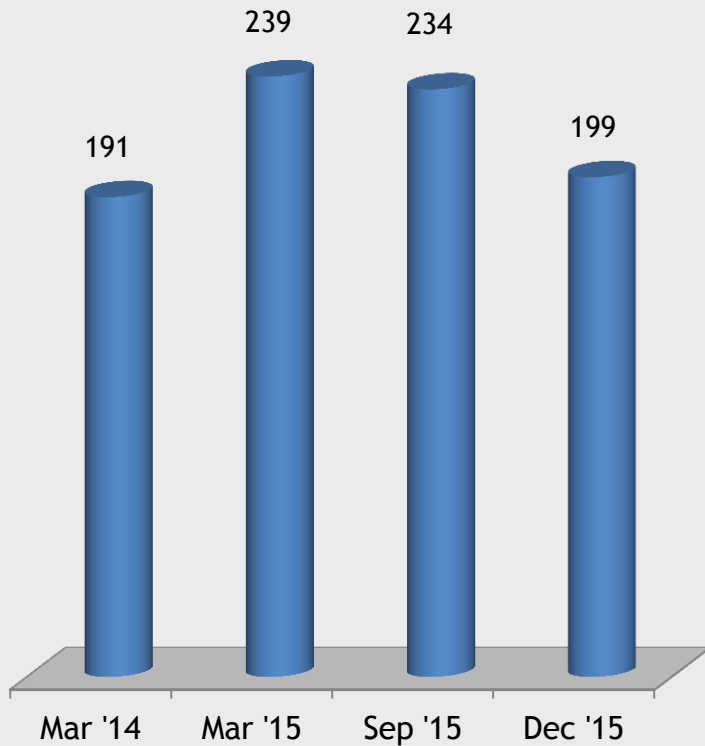
INR mn



■ South Africa   ■ Namibia   ■ India

# Focus on working capital cycle..

## Net Working Capital Days



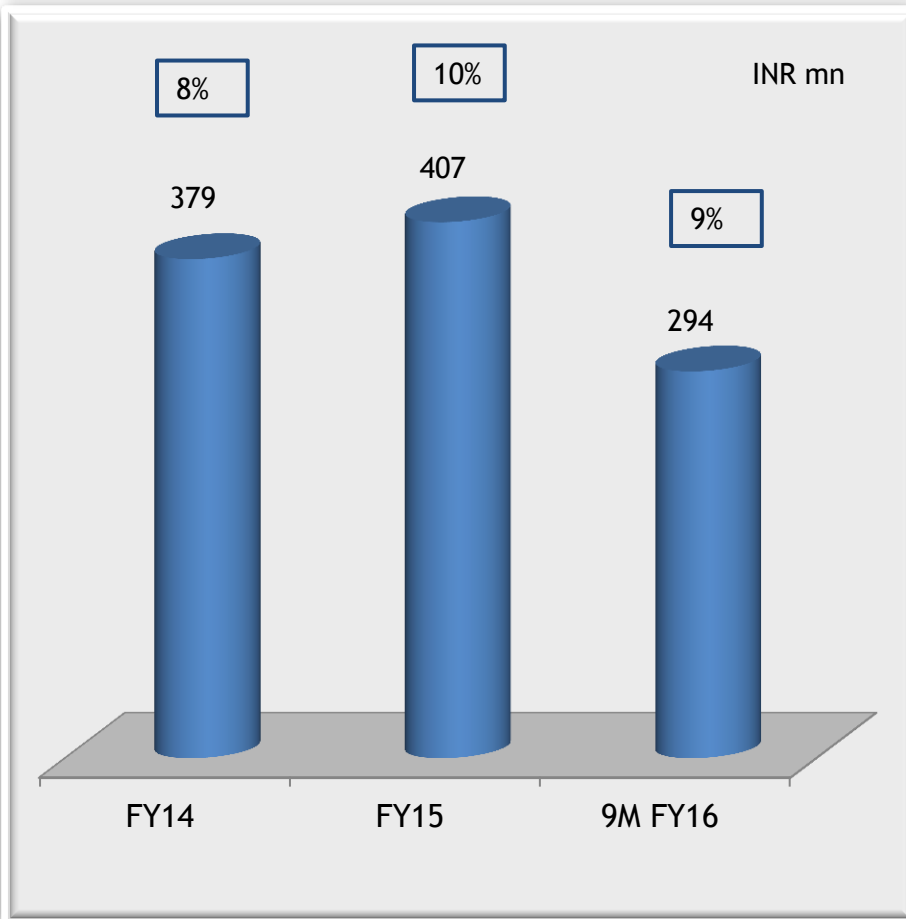
Working Capital (Days)	Mar '14	Mar '15	Sep '15	Dec '15
Debtor	72	81	72	60
Other Current Assets	161	193	189	164
Inventory	61	81	83	72
Creditors	102	115	111	98
<b>Net WC Days</b>	<b>191</b>	<b>239</b>	<b>234</b>	<b>199</b>

### ❖ Focus on improving WC:

- ❖ Better & faster payments from clients
- ❖ Consistent follow-up to reduce certification time for project
- ❖ Mobilization advance, 50% of which is interest free

# .. And reducing finance charges

## Interest & Finance Charges



As % of net sales

Finance charge (INR mn)	FY 14	FY 15	9M FY16
Interest on borrowings	270	305	217
Interest on advances	65	70	46
Finance charges	44	32	31
<b>Total</b>	<b>379</b>	<b>407</b>	<b>294</b>

- ❖ Debt repayments - INR 189 mn of debt repaid in 9M FY16
- ❖ Interest free mobilization advance
- ❖ Reduction in interest rates by banks
- ❖ Better working capital cycle

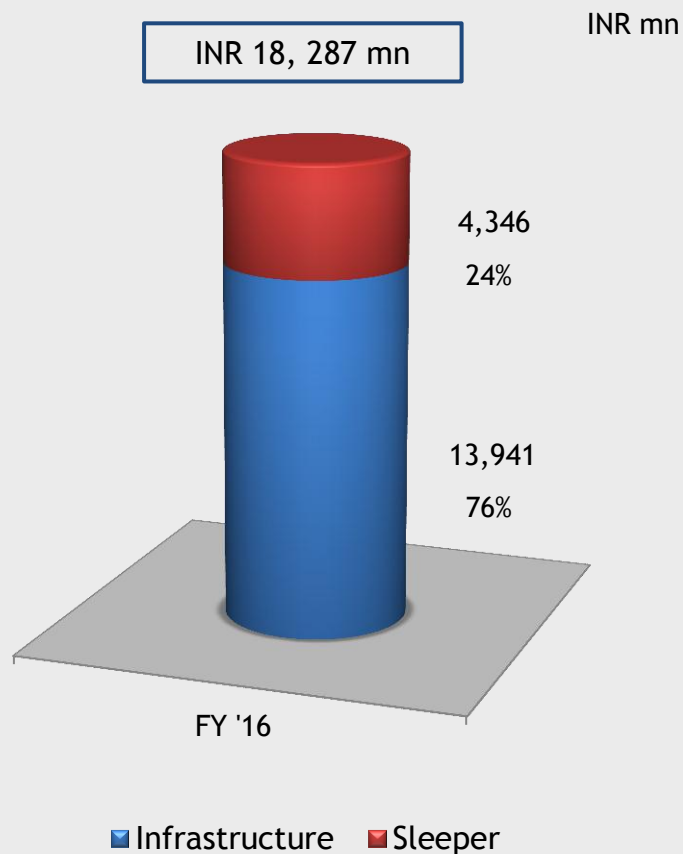


# Strong orders in FY16 so far

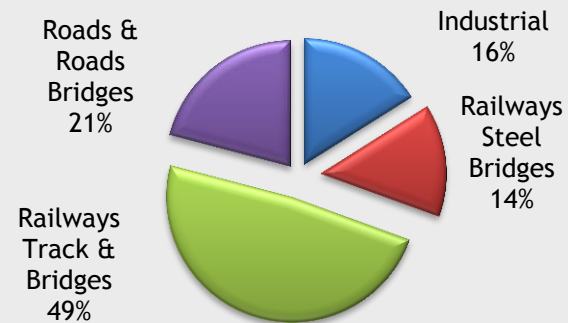
No.	Project Description	Client	Order Value (INR mn)
1	Supply of Heavy Haul Concrete Sleepers	GMR Infrastructure	2,465
2	Approach bridge for Burdwan ROB	RVNL	1,143
3	ROB Flyover between Sankrail and Santragachi Stations	South Eastern Railway	1,133
4	Bridge over Katakhal, Hasnabad	West Bengal PWD	813
5	Fabrication, Erection of Bridge in Manipur	Northeast Frontier Railway	800
6	Station yard and bridge work for Imphal BG Railway line	Northeast Frontier Railway	748
7	Construction of Intake Well for Raghunathpur Power Plant	DVC	641
8	Bridge work between Kurahani and Ramdayalu Nagar	East Central Railways	549
9	Fabrication, Erection of Bridge in Manipur	Northeast Frontier Railway	520
<b>Total</b>			<b>8,813</b>

# Order Backlog

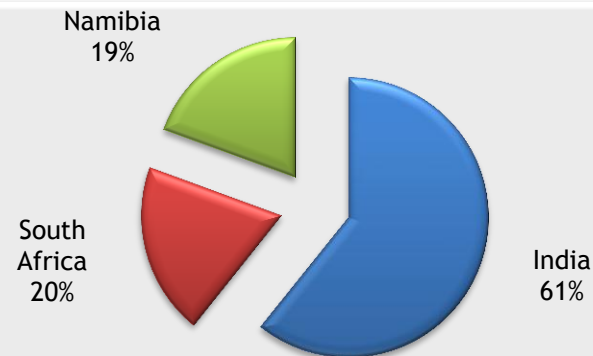
## Current Order-book Break-up



## Infrastructure Order-book



## Concrete Sleepers Order-book



# Growth Prospects: Revival in Railways

Railway Capex Plan (FY16-20)	INR bn
Network decongestion (including DFC, electrification, doubling)	1,993
Network expansion (including electrification)	1,930
National projects (Northeastern & Kashmir connectivity projects)	390
<b>Safety (track renewal, bridge works, ROB, RUB and signaling &amp; telecom)</b>	<b>1,270</b>
Rolling stocks (locomotives, coaches, wagons - production & maintenance)	1,020
Station redevelopment and logistic parks	1,000
Passenger amenities, High speed rail & elevated corridor, IT and Other	957
<b>Total</b>	<b>8,560</b>

- Increase in capital allocation for infrastructure & railway by Government of India. More than **INR 8,500 bn** to be invested in railways in next 5 years
- Investment of INR 65,810 mn for **constructing 917 RUBs and ROB**s to substitute 3,438 railway crossings
- Around **350 Bridges and ROB**s construction on highways under Setu Bharatam scheme presents opportunity
- Rehabilitation of old operational steel girder bridges, and increased spending on doubling, tripling and new lines
- Investment in decongestion of railway network by **increasing track length by 20%**

- Ministry of Railway's commitment to build nearly **2,800 km dedicated freight corridors by 2022** to result in more DFC contracts
- Sleepers manufacturing opportunity for GPT:
  - » **1 km of DFC requires ~1,600 sleepers** (with 6,000 km length spanning both ways, the opportunity is as huge as 10 million sleepers)
  - » GPT has already won **order from GMR worth INR 2,465 mn for EDFC**
- Bridges opportunity under DFCs (over 1,600 bridges/ ROBs/ RUBs):
  - » EDFC to include **construction of 104 bridges, 368 ROBs, RUBs and 21 flyovers**; also includes reconstructing nine existing ROBs and extending ten existing RUBs
  - » WDFC to include 262 bridges, 33 flyovers, 505 ROBs and 200 RUBs; also includes the reconstruction of 24 existing ROBs and lengthening ten existing RUBs

# Growth Prospects: Presence in Africa

- Strong **presence in Africa**, where transportation and infrastructure demand is growing:
  - » One among three suppliers in South Africa
  - » Only supplier in Namibia
- Key Growth driver for African railways:
  - » Need for **effective and integrated logistics** to manage global supply chain, especially South Africa
  - » Emergence of metropolitan cities **need new urban transport system**
  - » Increase in **mining activities require high capacity rail infrastructure** to provide better economy than road transport



# About GPT Infraprojects



# About GPT Infraprojects

- Incorporated in 1980, **GPT Infraprojects Limited** is a fast-growing civil construction and manufacturing company based in Kolkata
- Employee strength of more than **1,000** including 100+ engineers
- GPT's businesses are divided primarily into two segments:
  - » **Infrastructure:** Involved in civil infrastructure projects for Railways, Roads, Airports, and Urban Infrastructure
  - » **Concrete Sleepers:** Involved in manufacture of concrete sleepers for railways systems in India and abroad
- For FY 2015, GPT recorded gross revenues of **INR 4,000 mn**
- GPT has orders under execution of more than **INR 18,000 mn**



# Clientele



Railways & PSUs



NHAI, State PWDs, & Dept.



Other Key Customers



International customers



**RICON**  
(a JV of RITES & IRCON)





# Experienced Leadership Team

Name	Designation	Background
DP Tantia	Chairman	<ul style="list-style-type: none"> <li>35 years experience in the infrastructure sector</li> <li>Leads Company's international initiatives</li> <li>Hony. Consul of Ghana in Kolkata</li> </ul>
SG Tantia	Managing Director	<ul style="list-style-type: none"> <li>28 years experience in infrastructure and civil construction sector</li> <li>Strong team building and project execution capabilities</li> <li>Responsible for marketing and business development functions</li> </ul>
Atul Tantia	Executive Director	<ul style="list-style-type: none"> <li>BS in Economics &amp; Systems Engg. from Wharton School, UPenn</li> <li>Responsible for international businesses, incl. operations &amp; business development</li> </ul>
AK Dokania	Chief Financial Officer	<ul style="list-style-type: none"> <li>B. Com, FCA with over 25 years experience in accounting, finance and banking for infrastructure sector</li> <li>Strong background in audit, taxation and legal matters</li> </ul>
Vaibhav Tantia	Director & Chief Operating Officer	<ul style="list-style-type: none"> <li>BS in Economics &amp; Civil Engg. from Wharton School, UPenn</li> <li>Responsible for execution of infrastructure projects and tendering</li> </ul>
Subrata Ray	Sr. Vice President (Technical)	<ul style="list-style-type: none"> <li>B. Tech in Civil Engineering from Bengal Engineering College, having rich experience of over 35 years, with leading construction companies as well as consultancy firms</li> <li>Responsible for technical and design-related matters in construction projects, tendering and contract management</li> </ul>
US Singh	Sr. Vice President (Planning & HR)	<ul style="list-style-type: none"> <li>B. Tech in Mechanical Engineering from IIT Kharagpur</li> <li>Post Graduate in HRD &amp; Certified Management Consultant</li> <li>Leads HR initiatives, incl. training, recruitment, performance management</li> </ul>
DB Patra	General Manager (Projects)	<ul style="list-style-type: none"> <li>B. Tech in Civil Engg. with 15 years' experience in large civil infrastructure projects</li> </ul>
Niraj Sinha	Head (Africa Operations)	<ul style="list-style-type: none"> <li>B. Tech in Mechanical Engineering with over 8 years experience working in Africa</li> <li>Heads GPT's African Operations based in South Africa</li> </ul>

## Independent & Nominee Directors on the Board

Name	Designation	Background
Viswa Nath Purohit	Independent Director	<ul style="list-style-type: none"> <li>▪ Fellow Member of the Institute of Chartered Accounts of India</li> <li>▪ Has LLB and FICA qualification</li> <li>▪ 55 years of experience in Accounts, Finance and Taxation</li> </ul>
Nitindra Nath Som	Independent Director	<ul style="list-style-type: none"> <li>▪ Renowned expert in Soil Mechanics in the country</li> <li>▪ Was Head of Civil Engineering, Jadavpur University, Kolkata</li> </ul>
Sunil Patwari	Independent Director	<ul style="list-style-type: none"> <li>▪ CFA, MBA-Finance(IIM)</li> <li>▪ Wide experience in the area of business management, accounts, taxation and finance</li> </ul>
Mamta Binani	Independent Director	<ul style="list-style-type: none"> <li>▪ President of The Institute of Company Secretaries of India</li> <li>▪ 15 years of experience in corporate consultation &amp; advisory</li> </ul>
Shankar Jyoti Deb	Independent Director	<ul style="list-style-type: none"> <li>▪ Bachelors in Science and B.E. in Civil Engineering from I.I.T. Roorkee</li> <li>▪ Completed programme in Finance Management from I.I.M., Calcutta</li> <li>▪ Wide experience in designing, engineering and implementation of several civil projects</li> </ul>
Kunal Kumthekar	Nominee Director	<ul style="list-style-type: none"> <li>▪ Nominee Director of Nine Rivers Capital</li> <li>▪ Rich experience in financial markets and was associated with JM Financial</li> </ul>

## Statutory Auditor

S R Baltiboi & Co., *Member firm of Ernst & Young*

# Business Segments



# Concrete Sleeper Business

- Commenced production in 1982 and became one of the earliest entrants in concrete sleepers for Indian Railways
- Key facility located at Panagarh, 160 km from Kolkata:
  - » Plant production capacity of 480,000 sleepers is **one of the largest in India**
  - » Manufacture concrete sleepers for mainline, curves, bridges, level crossings, points & crossing
  - » Manufactured more than **10 Million concrete sleepers** for Indian Railways, IRCON, RITES, SAIL, NTPC, Tata Steel, DVC, etc.
- Received **INR 2,465 mn worth order from GMR Infrastructure Limited** in November 2015 for supply of 1.45 mn Sleepers for Eastern Dedicated Freight Corridor Contract (World Bank funded)
- A pioneer in export of concrete sleepers / plants for foreign railway systems:
  - » **Pioneered use of indigenous “stress-bench”** production system in foreign countries, where manpower is available
  - » GPT’s capabilities cover entire value chain



# Concrete Sleepers: Global Footprint



## MYANMAR

- Two orders for turnkey installation of concrete sleeper plants
- Transfer of production technology, training and track design

## BANGLADESH

- Supplied Dual Gauge Concrete Sleepers for prestigious Jamuna Bridge Rail Project
- Recently supplied 300,000 MG sleepers and 200 sets turnouts

## MOZAMBIQUE

- Manufactured 750,000 sleepers for World Bank funded Sena Line Project
- Installed 2 plants in Mozambique in record time of 6 months

## SRI LANKA

- Supplied 160,000 sleepers for Sri Lankan Railways and 140 sets of turnouts
- Sleepers manufactured at Panagarh plant and exported in containers

## SOUTH AFRICA

- Supplied Transnet Freight Rail 1,000,000 sleepers over 5 years
- Incorporated subsidiary & established state-of-art plant at Ladysmith near Durban with technology from UK
- Annual capacity: 500,000 sleepers
- Production commenced in April 2009

## NAMIBIA

- Entered into agreement with TransNamib Holdings for setting up sleeper plant
- Commercial production commenced in 2011, manufactured 375,000 sleepers till date
- Annual capacity: 200,000 sleepers

# Infrastructure: Value Proposition

## CONCEPT-TO-COMMISSIONING OF COMPLEX INFRASTRUCTURE PROJECTS

- Executing work of 38 major road bridges under Tripura PWD on turnkey basis, i.e. including survey, design, engineering and construction
- BOT Annuity project from NHAI on Design & Build basis, including own design and engineering

## TIMELY DELIVERY OF TECHNICALLY & LOGISTICALLY CHALLENGING PROJECTS

- Completed rehabilitation of Dona Ana Bridge over River Zambezi in Mozambique involving replacement of corroded steel components
- Construction of washed-away Railway Bridge on Howrah-Chennai route completed 21 days ahead of schedule

## ENGINEERING & TECHNOLOGICAL INNOVATION

- Used “slipform” shuttering for construction of tall substructures for Railway Bridge over River Barakar
- Innovative erection methods to replace old girders in running traffic conditions
- “Cantilever” method of erection adopted for large span steel structures



# Infrastructure: Core Areas

- GPT's Infrastructure Division executes civil infrastructure projects **mainly in roads, railways and industrial infrastructure** sectors for government sector clients
- Expanded **execution capabilities** and widened client base since commencement of infrastructure activities in 2004
  - » Achieved **phenomenal growth** in order bookings & turnover with CAGR of ~60% in last 5 years
  - » Focusing on **contracts of larger magnitude with high value addition**
- Core expertise in infrastructure works includes:
  - » Construction of **riverine bridges** on deep well or pile foundations, with steel or concrete superstructure of large spans
  - » Structural steel fabrication and launching of **large span steel superstructures** over perennial rivers or in running traffic conditions
  - » Capability to undertake **turnkey rail & road infrastructure** works, including construction of embankment, rigid & flexible pavements, flyovers, ROBs, and rail track



# Growth Strategy

- Improving **working capital cycle** through better payments from customers
- Focus on **trimming interest costs** to improve EBITDA margin
- Striving for challenging contract that need high degree engineering skill and offer higher margins
- Growing business proportionately by leveraging expertise to tap emerging opportunities
- Improving capabilities in the EPC segment and expanding into industrial projects
- Forming **strategic joint ventures** to share technical know-how and entering new fields of work





For any further information, please contact the following persons:

	GPT Infraprojects Ltd.	Stellar IR Advisors Pvt. Ltd.
CIN	L20103WB1980PLC032872	U74900MH2014PTC259212
Name	Atul Tantia	Gaurang Vasani / Pooja Dokania
Email	<a href="mailto:atul@gptgroup.co.in">atul@gptgroup.co.in</a>	<a href="mailto:vgaurang@stellar-ir.com">vgaurang@stellar-ir.com</a> / <a href="mailto:dpooja@stellar-ir.com">dpooja@stellar-ir.com</a>
Company website	<a href="http://www.gptinfra.in">www.gptinfra.in</a>	<a href="http://www.stellar-ir.com">www.stellar-ir.com</a>