

GPT Infraprojects Limited

Investor Presentation | June 2020





End-To-End Solution

Track record of executing Turnkey Projects creating a niche for itself



Growth Visibility

Healthy Order Book of ~Rs 1,500 cr, forming 2.5x FY20 revenue

Railway Focused

Concrete Sleeper and Infrastructure (Civil Engineering Projects)



Indian Railways: Seeing Structural Changes

Reforms for Investment and better Governance



Q4 & FY20 Performance



Healthy Order Book
~ ₹15 bn
plus L1 in orders worth
~ ₹ 2 bn

Revenue
5.2% ↑
₹ 6,227 mn

Profit After Tax
27% ↑
₹ 150 mn

Final Dividend
15%
₹ 1.5 per share

Measures

- The COVID-19 pandemic led to a nationwide lockdown halting economic activities across most sectors
- Commenced construction activity and sleeper manufacturing in a phased manner, adhering to the prescribed safety measures, at all our project sites and factories
- Robust internal control systems with a review mechanism and site level ERP enables continuity and monitoring of operations systematically

Impact

- The revenue and profitability are likely to be impacted in the near term due to a sudden halt in construction activities (project execution) at most of our sites and lower utilization of sleeper manufacturing facilities in India
- Supply chain disruptions in terms of movement of raw materials and finished goods. However, with the lockdown restrictions being eased, there has been a steady resumption of transportation

Position

- Healthy Order Book position of ~ ₹ 1,500 cr (including the recently bagged order worth ₹ 1,147 mn), forming ~2.5x FY20 revenue
- Closely monitoring the current operating situation in terms of the prescribed SOPs by regulatory authorities and company's cashflows and liquidity position

Profit & Loss Highlights (Consolidated)

Consolidated (₹ mn)	Q4FY20	Q4FY19	y-o-y %	FY20	FY19	y-o-y %
Revenue	1,873	1,729	8.27%	6,180	5,776	7%
Other income	3	34	-90%	47	144	-67.5%
Net Sales	1,876	1,763	6.37%	6,227	5,920	5.2%
Operating expenses	1,715	1,596	7.45%	5,389	5,143	4.8%
EBITDA	161	167	-3.5%	839	778	7.9%
<i>EBITDA margin</i>	<i>8.6%</i>	<i>9.5%</i>	<i>-90 bps</i>	<i>13.5%</i>	<i>13.1%</i>	<i>40 bps</i>
Depreciation	68	63	7.93%	237	234	1.3%
Interest	91	107	-15.1%	413	418	-1.1%
PBT	1	-3		189	126	50%
Tax Expenses (Credits)	10	-16		58	23	152%
PAT	-9	13		130	103	26.2%
<i>PAT margin</i>	<i>-0.5%</i>	<i>0.7%</i>	<i>-120 bps</i>	<i>2.1%</i>	<i>1.7%</i>	<i>40 bps</i>
Share of Associate Profit & Minorities Interest	-19	3		-20	14	
PAT after Minorities	9.5	16	-40%	150	118	27.1%

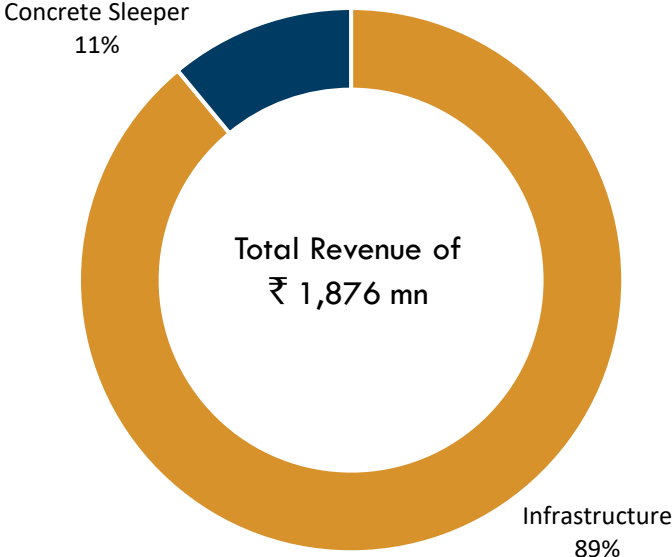
Balance Sheet Highlights (Consolidated)

Liabilities (₹ Mn)	Mar'20	Mar'19
Share Capital	291	291
Reserves	1,941	1,836
Shareholders' Funds	2,232	2,126
Minority Interest	20	48
Secured Loans	40	166
Trade payables	100	40
Deferred Tax Liabilities	0	30
Other liabilities	208	50
Long Term Provisions	44	38
Total Non-Current Liabilities	412	373
Trade Payables	1,790	1,520
Other Current Liabilities	585	651
Short Term Borrowings	2,252	2,350
Total Current Liabilities	4,627	4,520
Total Equity & Liabilities	7,271	7,019

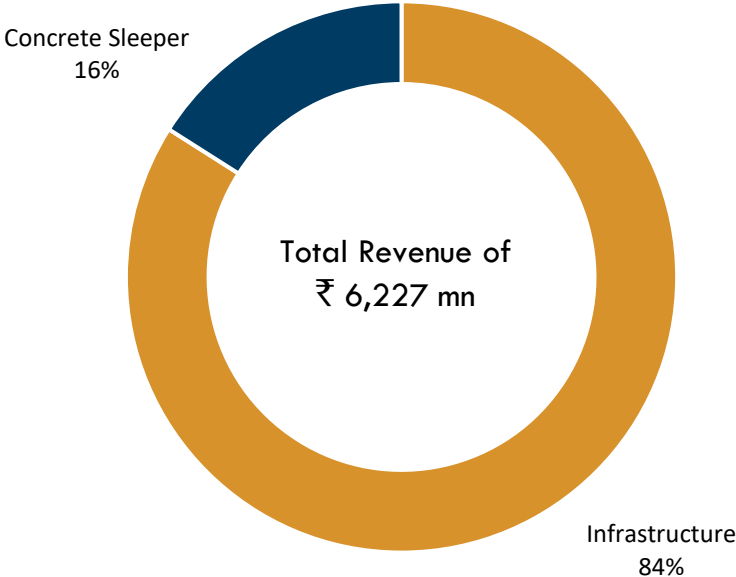
Assets (₹ Mn)	Mar'20	Mar'19
Fixed Assets incl. CWIP	1,151	1,290
Investment in JV	264	273
Other Non Current Assets	578	870
Total Non-Current Assets	1,992	2,436
Inventories	912	827
Sundry Debtors	1,015	580
Cash and Bank	289	282
Short term Loans and Advances	26	24
Other Current Assets	3,037	2,871
Total Current Assets	5,279	4,584
Total Assets	7,271	7,019

Segment-wise Break-up of Revenue

Revenue break-up : Q4FY20



Revenue break-up: FY20



Order Book of ~ ₹ 1,500 cr; ~2.5x of FY20 Revenue

Key projects under execution during the current fiscal

Scope of Work	Client	Contract Value (₹ mn)
Road-bed, Viaduct, Bridges, RUBs, ROBs, Track lining, and Electrical works for Rail-cum-Road bridge in Ghazipur	RVNL	3,622
Supply of Monoblock Sleeper & special Sleeper for Eastern DFC Project 201 & 202 in UP	GMR (DFC)	2,464
Steel girder bridges, foundation, substructure and protection works at Mathura-Jhansi 3 rd Line	RVNL	2,173
Manufacture and supply of Concrete Sleepers	Transnet Freight Rail (SA)	1,400
Rehabilitation of landslide location with slope protection and drainage improvement in Tindharia on NH-55	PWD	840

Bagged a new order of ₹ 1,147 mn
in April, 2020

...Additionally, L1 in orders worth ~
₹ 200 Cr



Company at a Glance



A **Premier Infrastructure** Company engaged in Civil Construction and Concrete Sleeper manufacturing for Railways



With ~40 years of experience, GPT has developed Strong Project **Execution Capabilities** across the Value Chain

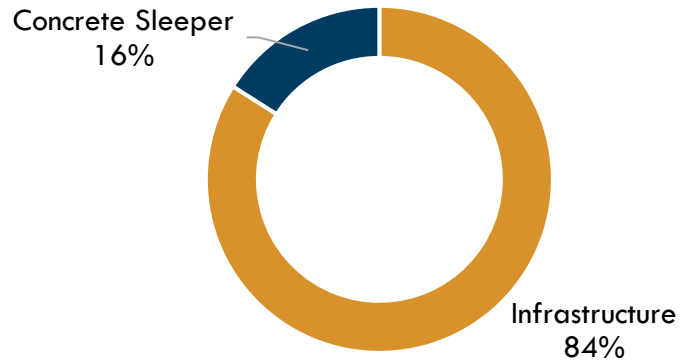


Healthy **Financials (FY20)** : Revenue - ₹ 623 cr; EBITDA margin – 13.5%; PAT - ₹ 15 cr; Order Book ~ ₹ 1,500 cr

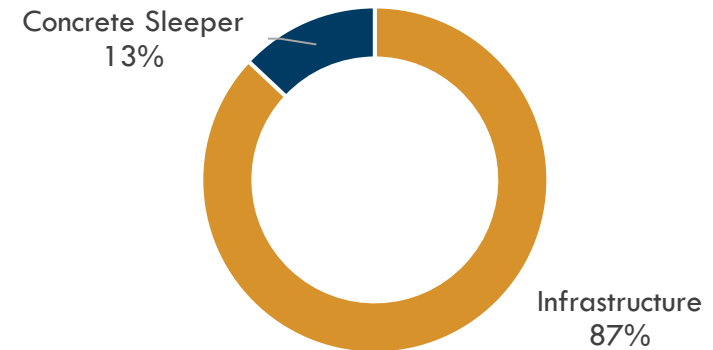


Marquee Clientele : Indian Railways, GMR, Iacon, Rail Vikas Nigam, Rites, Myanmar Railways, Transnet

Revenue Mix



Order Book



Infrastructure



Commenced in the year **2004**

Bridge construction and Industrial Infrastructure

Concrete Sleeper



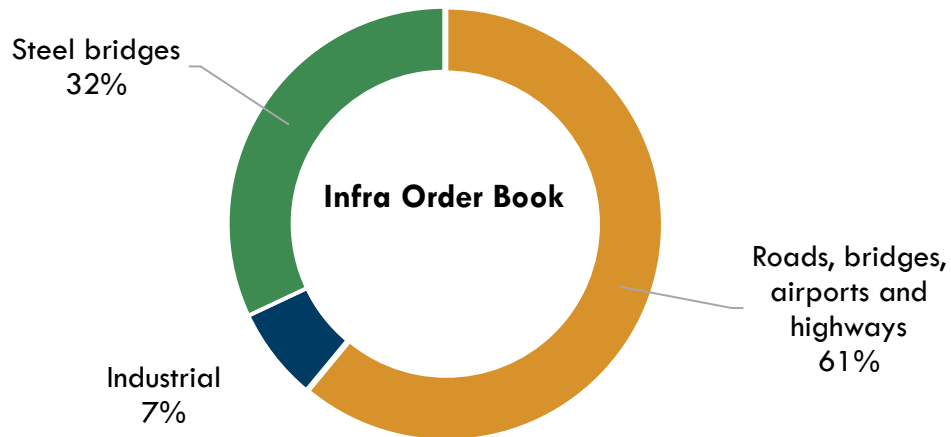
Commenced in the year **1982**

Monoblock and Pre-Stressed Concrete Sleepers

1. Infrastructure | A Renowned Player for Integrated Solutions...

- Involved in civil engineering projects like construction of Roads, Bridges, Irrigation and Railway Systems, Urban-Transit and Industrial infrastructure
- One of the only 3-4 companies which have constructed mega bridges for the Indian Railways
 - Steel Bridges :- Building of mega bridges with super steel structures across varied terrains
 - Roads, Bridges & Highways :- Construction of bridges, elevated metro structures and concrete pavements for airports
 - Railway Tracks :- Gauge conversion of railway tracks including earthwork, blanketing and track lining
 - Industrial :- Construction of railway sidings, merry-go-round railways and roads

Segmental Breakup of Infra Order Book



...Received the Largest Single Order Ever, in FY19

Rs 362 cr order from RVNL for rail-cum-road bridge works at Ghazipur...

...Completion of which, will enable bidding for single orders of Rs 1,000 cr

...Across Various Infrastructure Segments...

Steel Girder Bridges



ROBs / RUBs



Railway Tracks



Transportation / Industrial



Bardhaman Cable-Stayed ROB

(Completed ahead of schedule)



Challenge

Unconventional structure over electrified tracks on busy routes

Outcome

Constructed complex cable-styled bridges & completed before time

Rail-cum-Road Ganga Bridge in Patna

(Longest Steel Bridge in India)



Challenge

Massive volumes of steel fabrication & launching work for 4.6 km long bridge

Outcome

Successfully constructed the Longest Steel Bridge in India

Boler Bazar Road Bridge

(Construction of 'Floating Caissons')



Challenge

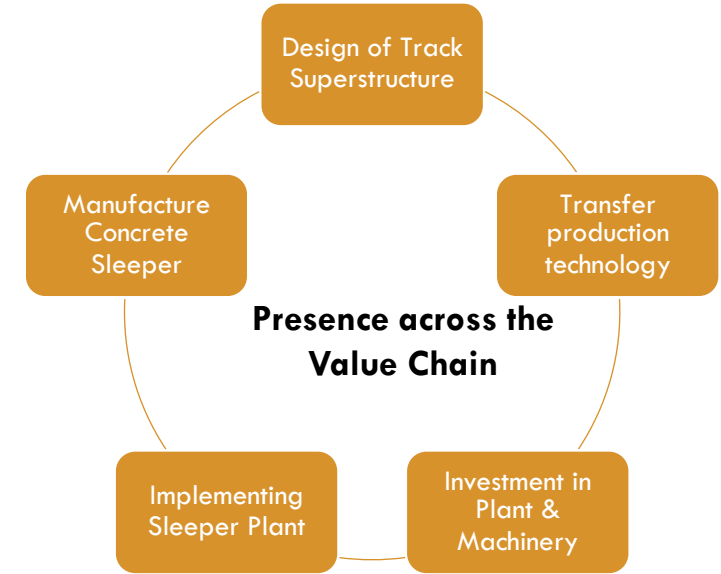
Interiors of Sunderban Delta; 9 mtr diameter wells in 15 mtr deep waters

Outcome

Innovative construction engineering of "floating caissons" with an effective approach

2. Concrete Sleeper | Among the Pioneers in India...

- One of the first few companies in India to commence manufacturing of Concrete Sleepers, in 1982
- Currently, the total manufacturing capacity is ~20,00,000 units across India and Africa
- Enhancing global presence through export orders from countries like Bangladesh, Mozambique, Sri Lanka and Myanmar
- Forayed into African markets via Joint Venture with local bodies and set up factories in South Africa and Namibia in 2009 / 2010



Country	Factory	Capacity (units p.a)	Commission (year)	Growth Driver
	Panagarh, WB	480,000	1982	Introduction of wider base sleepers
	Ikari, UP	400,000	2017	For Eastern DFC project
India	Pahara, UP	400,000	2017	For Eastern DFC project
	South Africa	500,000	2009	These markets are demonstrating strong demand
Africa	Namibia	200,000	2010	These markets are demonstrating strong demand

Timely Execution



Track record of timely delivery within **Targeted Costs**

Vast Track record



Over **15 mn** Sleepers delivered till over the past ~40 years

Plant set-up in Record Time



6 to 9 months
Time taken to commission greenfield Sleeper plants after the order

Some of the Key Awards and Accolades

01

Awarded as the
'Best Infrastructure
Brand, 2016' by The
Economic Times

03

Awarded the 'Emerging
India' award in the
Infrastructure category
by ICICI Bank, in 2010

05

Awarded 'Certificate
of Excellence' in
Safety & Quality by
RVNL in 2016

02

Awarded 'Certificate
of Excellence' for
contract Execution
2008-2009 by Eastern
Railways

04

Bestowed with 'Star
Export House'
certification by Ministry
of Commerce,
Government of India

06

Bestowed with ISO:
9001: 2015
certification

A large steel truss bridge is under construction over a wide river. The bridge's complex steel framework is visible, supported by several concrete piers. The scene is overlaid with a semi-transparent blue filter. In the foreground, a small structure with some text is partially visible on the left. An orange rectangular box in the upper right corner contains the text "Growth Opportunities" in white, underlined font.

Growth Opportunities

Quantum of Leap in Expenditure

Highest ever capex at ₹ **1,602 bn** for FY20



Safety: Striving for 'Zero Accident'

- ✓ All Unmanned Level Crossings (UMLCs) eliminated on the broad gauge network
- ✓ Faster track renewals: ~5,000 kms in FY19, higher by 70% of that in FY14
- ✓ 3x speedier construction of ROB/RUBs
- ✓ Rashtriya Rail Sanraksha Kosh (RRSK) fund of ₹ 1,000 bn created for safety expenses

North-East Connectivity

- ✓ Entire network converted to Broad Gauge
- ✓ All the seven states are now connected by Rail network
- ✓ 'BogiBeel Bridge' connecting Arunachal Pradesh and Assam



Time reduced from **24 hrs to 5 hrs**

Other Focus Areas

- | | |
|--------------------------------|--------------------------------|
| ✓ Connecting Suburban Network | ✓ Station Redevelopment |
| ✓ High Speed Rail Connectivity | ✓ Make in India |
| ✓ Modern Signalling | ✓ Enhancing passenger services |

Capacity Enhancement

Faster commissioning of **New Lines**



Network De-congestion sanction of:

- ✓ Gauge conversion of 5,000 km
- ✓ Doubling of tracks of 12,000 km

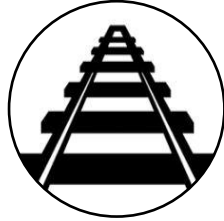
Electrification on BG routes:

- ✓ 3x growth in average RKM p.a.
- ✓ 100% electrification by 2021-22

Two **Dedicated Freight Corridors**:

- ✓ Record capex of ₹ 100 bn FY19
- ✓ Overall physical progress – 58%

DFCC: Concrete Sleepers



Ongoing Eastern and Western DFCCs (2,822 km) - **~11 mn** sleepers opportunity
3 new freight corridors (5,769 km rail tracks) - **~20 mn** sleepers opportunity

Bridge Construction



Setu Bharatam - Total cost of ₹ 208 bn to construct of **208 ROB/RUBs**
UMLCs - Target to eliminate **2,568** manned level crossings at the National level routes
DFCC - Construction of **366** bridges, **873** ROB, **200** RUBs and **54** flyovers

North Eastern Connectivity



1,397 km of New Lines project costing ₹ 514 bn in progress
All the Seven State capitals to be connected on **Broad Gauge network by 2020-21**

Other EPC Opportunity



RRSK - Portion of ₹ **100 bn** earmarked for track renewal
Doubling of tracks of 12,000 km sanctioned; FY20 budget allocation at ₹ **7 bn**
Gauge conversion of 5,000 km sanctioned; FY20 budget allocation of ₹ **22 bn**

Ease of Doing Business

Empowerment down to Zonal divisions for tenders and procurement contracts

100% digitisation of payments to contractors and vendors; payment as per FIFO system

Letter of Credit for railway suppliers / contractors to help them get Working Capital

Online vendors list by RDSO: reduced process time from 30 months to 6 months

Procurement Policies

E-reverse Auction for tenders > ₹ 10 crs and works tender > Rs 50 cr

(to save upto Rs 200 bn p.a.)

100% E-procurement through single web-portal

(7x rise in vendors registered on railway portal in 5 yrs)

Empowering workforce for Better Governance

Delegated GMs to approve works fully

DRMs power for service contracts elevated to Rs 100 cr from Rs 20 cr

Performance based Appraisal Systems for GMs and DRMs

Rail Development Authority:
An independent regulator

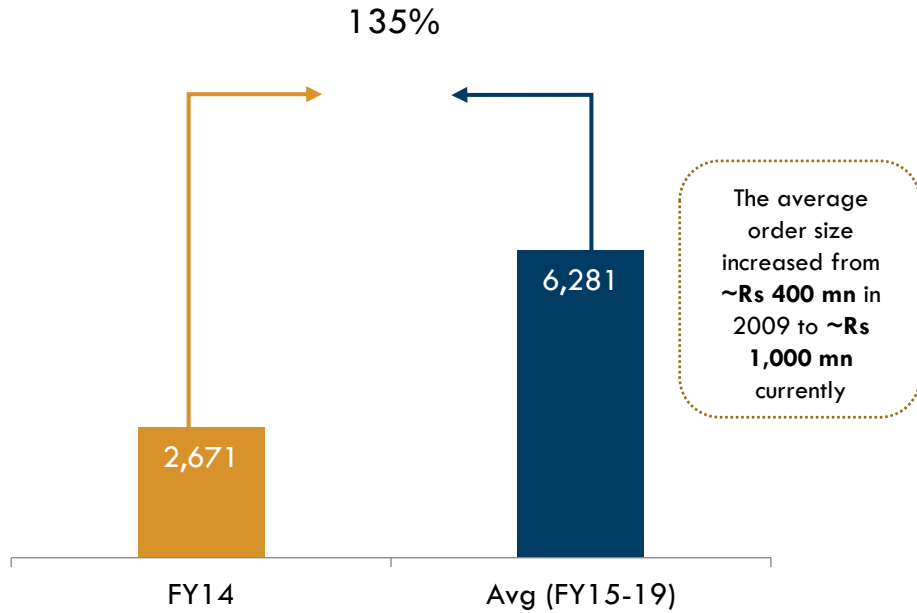
Talent Development

National Rail & Transportation University, in Vadodara, started in Sep-18

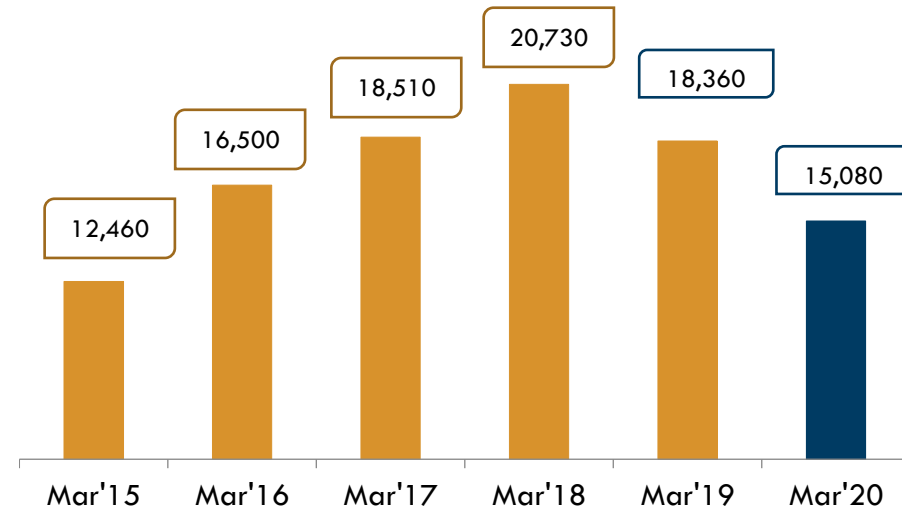
(₹ 4.2 bn sanctioned for 5 yrs)

Project Saksham:
5 days on-the-job training to all railway employees

GPT - Significant improvement in average Order Intake (₹ mn)...

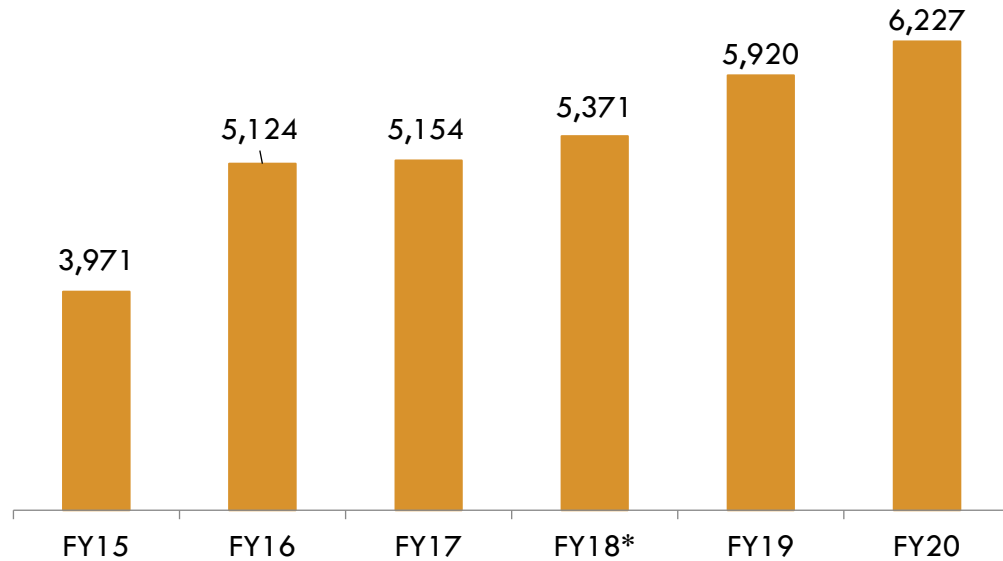


...thereby strengthening the Order Book position (₹ mn)



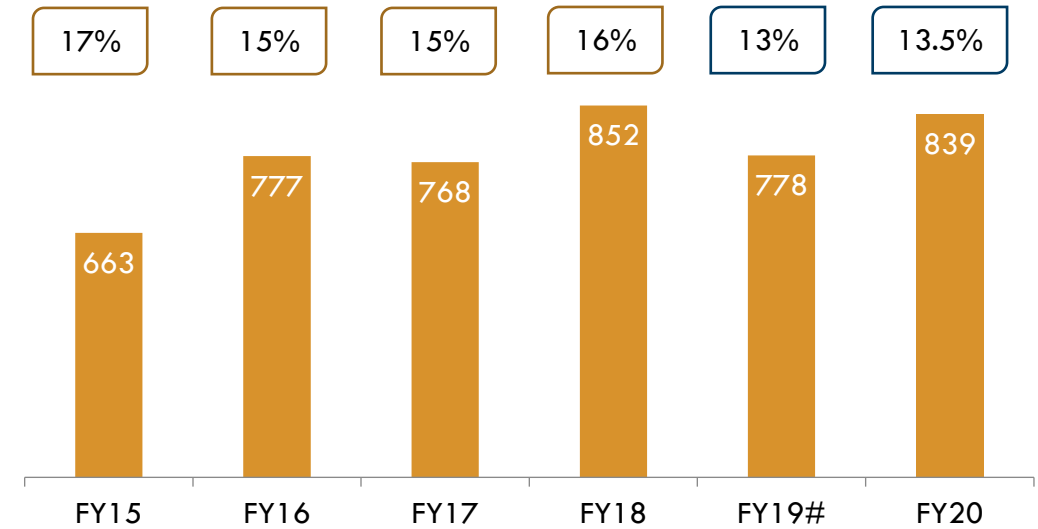
...Well Placed to Capture the Growth...

Revenue (₹ mn) growth reflective of Timely Execution...



* Impacted by GST and change in accounting policy relating to consolidation of JVs

...While keeping disciplined bidding: Hurdle of 13% EBITDA margin



One-time provision of certain expenses and impact of forex translation on profit

Ability to handle Complex Projects given its **Engineering capability** (119 engineers) and **ERP implemented** at Site Level



Dwarika Prasad Tantia
Chairman

-
- With an experience of over 45 years, he leads the Company's growth initiatives
 - Responsible for the Company's entry into the sleeper business both in India and internationally. He is the Hony. Consul of Ghana in Kolkata



Shree Gopal Tantia
Managing Director

-
- 35 years experience in infrastructure
 - Possesses strong project execution capabilities and manages the company's diversified customer relationship



Atul Tantia
Executive Director & CFO

-
- Graduated Magna Cum Laude from Wharton School in Finance and Systems Engineering
 - Leads the manufacturing operations, finance and accounts along with managing relationships with banks and financial institutions



Vaibhav Tantia
Director & COO

-
- Graduated Summa Cum Laude from Wharton School in Finance and Civil Engineering
 - Leads the EPC segment including management of projects and business development



Prasad Khandelwal
Independent Director

-
- Is a fellow member and holds certificate of practice with the ICAI. Has wide knowledge on subjects like Union Budget, Accounting, Corporate Laws, Corporate Governance and Income Tax matters.



Shankar Jyoti Deb
Independent Director

-
- Holds a Bachelor's degree in Science and Bachelor's degree in Civil Engineering. Has completed a financial management programme from IIM, Calcutta. Has wide experience in designing, engineering and implementation of civil projects



Mamta Binani
Independent Director

-
- A fellow member and holds certificate of practice with the ICSI. Was President of ICSI in 2016 and has more than 15 years of experience in Corporate Consultation & Advisory



Sunil Patwari
Independent Director

-
- Holds PGDM degree from IIM, Ahmedabad and is an associate member with ICAI. Has wide experience in the area of Business Management, Accounts, Taxation and Finance

Financial Performance



Historical Profit & Loss

Consolidated (₹ mn)	FY18	FY19	FY20
Revenue	5,207	5,776	6,180
Other income	164	144	47
Net Sales	5,371	5,920	6,227
Operating expenses	4,519	5,142	5,388
EBITDA	852	778	839
EBITDA margin	15.9%	13.1%	13.5%
Depreciation	220	234	237
Interest	392	418	414
PBT	240	126	189
Tax Expenses (Credits)	49	23	58
PAT	191	103	130
<i>PAT margin</i>	<i>3.5%</i>	<i>1.7%</i>	<i>2.1%</i>
Share of Associate Profit & Minorities Interest	15	15	-20
PAT after Minorities	206	118	150

EBITDA margin drop in FY19 & FY 20 due to one-time provision in expenses and impact of forex translation

COVID-19 led to nationwide lockdown impacted execution in the last week of March 2020

Historical Balance Sheet

Liabilities (₹ Mn)	Mar'18	Mar'19	Mar'20
Share Capital	291	291	291
Reserves	1,823	1,836	1,941
Shareholders' Funds	2,114	2,126	2,232
Minority Interest	51	48	20
Secured Loans	104	166	40
Trade payables	34	40	100
Deferred Tax Liabilities	83	30	0
Other liabilities	157	50	208
Long Term Provisions	30	38	44
Total Non-Current Liabilities	459	373	412
Trade Payables	1,326	1,520	1,790
Other Current Liabilities	795	651	585
Short Term Borrowings	2,430	2,350	2,252
Total Current Liabilities	4,551	4,520	4,627
Total Liabilities	7,124	7,019	7,271

Assets (₹ Mn)	Mar'18	Mar'19	Mar'20
Fixed Assets incl. CWIP	1,476	1,290	1,151
Investment in JV	292	273	264
Other Non Current Assets	973	870	578
Total Non-Current Assets	2,743	2,436	1,992
Inventories	805	827	912
Sundry Debtors	657	580	1,015
Cash and Bank	205	282	289
Short term Loans and Advances	28	24	26
Other Current Assets	2,688	2,871	3,037
Total Current Assets	4,382	4,584	5,279
Total Assets	7,124	7,019	7,271

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