

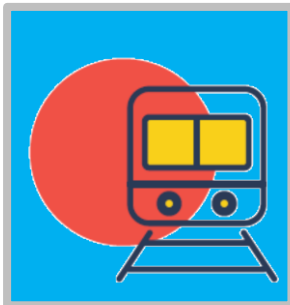
KEC International Limited

Investor Presentation – Q2 FY21

04th November 2020



Power T & D



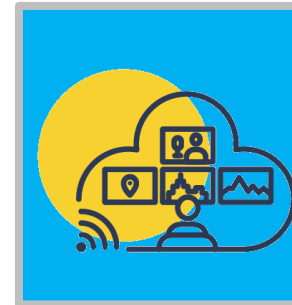
Railways



Solar



Civil



Smart Infra



Cables

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Key Financial Highlights – Q2 & H1 FY21

☐ Highlights for Q2 FY21 v/s Q2 FY20

- **Revenue** for Q2 FY21 stands at Rs. 3,258 Cr – **Growth of 16%**
- **EBITDA Margin** at 9.0% against 10.5%
- **Interest cost** as % to sales improves to 2.1% from 2.9%
- **PBT Margin** at 6.0% against 6.4%
- **PAT Margin** at 4.4% against 5.0%

☐ Highlights for H1 FY21 v/s H1 FY20

- **Revenue** for H1 FY21 stands at Rs. 5,465 Cr – **Growth of 5%**
- **EBITDA Margin** at 8.9% against 10.4% in H1 FY20
- **Interest cost** as % to sales improves to 2.4% from 3.1%
- **PBT Margin** at 5.3% against 6.1%
- **PAT Margin** at 3.9% against 4.4%

☐ YTD Order Intake stands at Rs. 4,366 Cr – **Growth of 16%**

- **Strengthened order book in International T&D** with large orders in Middle East and Africa
- **Railways expanded its presence** in the technologically enabled areas of urban infra with an order of metro electrification works
- **Civil secured breakthrough orders** in the Flue Gas Desulfurization (FGD) and Warehouse space
- **Smart Infra** forayed in Defence segment

☐ Robust Order book + L1 Pipeline of ~Rs. 23,000 Cr

COVID-19 Impact

- ❑ **Operations normalized**
 - All 220+ projects under operation barring intermittent localized issues
 - Labour strength back to pre COVID levels
 - All Tower and Cable manufacturing facilities operating at pre COVID levels
- ❑ **Strong tender pipeline** across most businesses
- ❑ **Strong recovery in Revenues** across businesses
- ❑ **Significantly strong operating cash flows**
- ❑ Sharp increase in **commodity prices** Q2 FY21 onwards
- ❑ **Driving Digitalisation, Mechanisation and Automation** initiatives across businesses

Profit & Loss Highlights (Consolidated)

(₹ crore)

Particulars	Q2		Growth
	FY21	FY20	(Y-o-Y)
Revenues	3,258	2,809	16%
EBITDA	293	294	0%
<i>EBITDA Margins</i>	<i>9.0%</i>	<i>10.5%</i>	
(+) Other Income	7	4	
(-) Depreciation	37	35	
(-) Interest	67	82	-18%
<i>Interest as % to sales</i>	<i>2.1%</i>	<i>2.9%</i>	
PBT	195	180	8%
<i>PBT Margins</i>	<i>6.0%</i>	<i>6.4%</i>	
Tax	52	41	
<i>Tax Rate %</i>	<i>26.9%</i>	<i>22.9%*</i>	
PAT	143	139	2%
<i>PAT Margins</i>	<i>4.4%</i>	<i>5.0%</i>	

H1		Growth
FY21	FY20	(Y-o-Y)
5,465	5,221	5%
488	545	-10%
<i>8.9%</i>	<i>10.4%</i>	
14	6	
76	71	
134	162	-17%
<i>2.4%</i>	<i>3.1%</i>	
291	318	-8%
<i>5.3%</i>	<i>6.1%</i>	
78	91	
<i>26.8%</i>	<i>28.5%</i>	
213	228	-6%
<i>3.9%</i>	<i>4.4%</i>	

*Q2FY20 Tax includes benefit of reversal of provision done in Q1 at 35.7% post reduction of corporate tax rates averaging H1FY20 at 28.5%

Businesswise Revenue Performance

(₹ crore)

Business Verticals	Q2		Growth (Y-o-Y)
	FY21	FY20	
T&D:	1,977	1,978	0%
- T&D (KEC)	1,621	1,621	0%
- SAE Towers	356	356	0%
Non T&D:	1,349	888	52%
- Railways	821	568	45%
- Civil	212	52	306%
- Cables	249	249	0%
- Others #	67	19	253%
Inter SBU:	(68)	(57)	19%
Total Net Sales	3,258	2,809	16%
T&D Share	59%	68%	
Non T&D Share	41%	32%	

H1		Growth (Y-o-Y)
FY21	FY20	
3,431	3,577	-4%
2,796	2,916	-4%
635	662	-4%
2,152	1,772	21%
1,342	1,089	23%
315	117	169%
408	512	-20%
85	53	61%
(118)	(128)	-8%
5,465	5,221	5%
61%	66%	
39%	34%	

#Others include Solar and Smart Infra

Borrowings & Working Capital

(₹ crore)

Particulars	30-Sep-20	30-Sep-19	Increase/ (Decrease)	30-Jun-20	Increase/ (Decrease)
I) Net Debt	2,425	2,459	(34)	2,388	37
II) Interest Bearing Acceptances	1,059	1,021	38	936	123
Total (I + II)	3,484	3,480	4	3,324	160

- ❑ **Average Borrowing level** continues to be in line with the target of ~Rs 2,500 Cr
- ❑ **Overall net debt and interest-bearing acceptances has been maintained at the same level as last year despite a growth in Revenue**

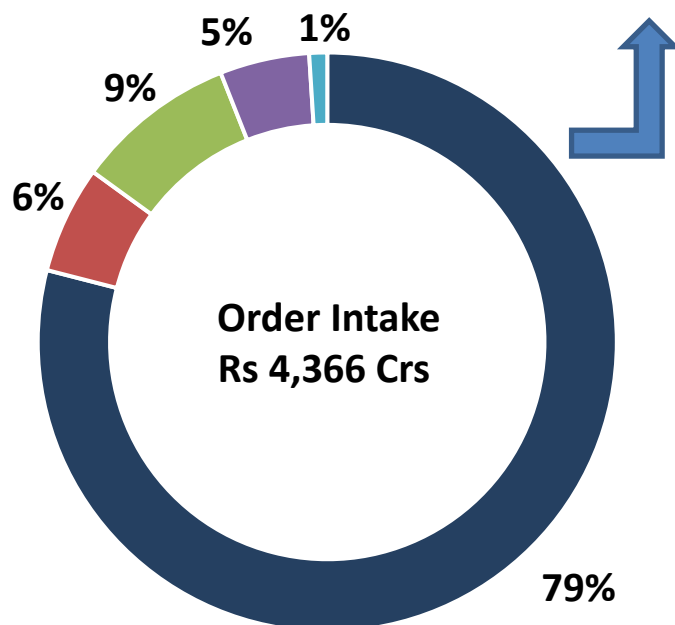
Key initiatives contributing to the same include:

- Judicious monitoring of cash flows and focus on collection of receivables especially Retention
- Concerted efforts for expediting commercial closure of projects

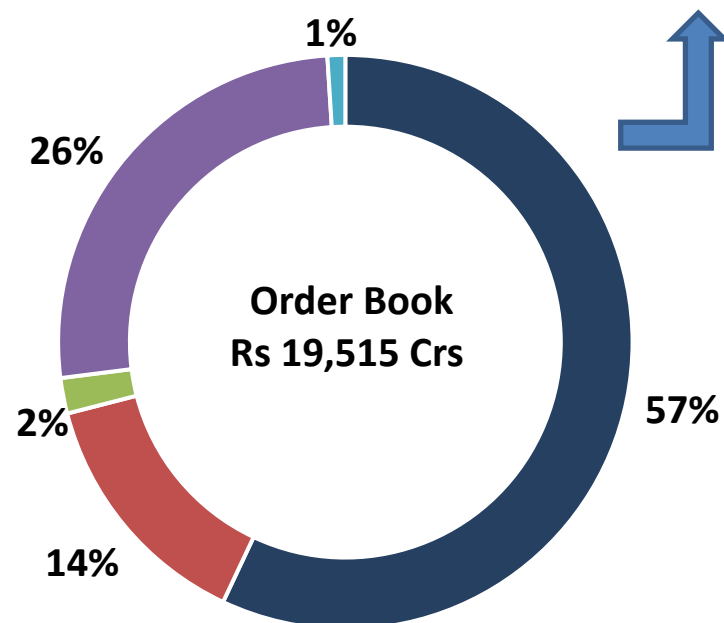
- ❑ **Net Working Capital (NWC)** stands at 132 days as on 30th September'20

Order Intake & Order Book

Order Intake YTD FY21

T&D : 74%**SAE : 5%**

Order Book as on 30 September'20

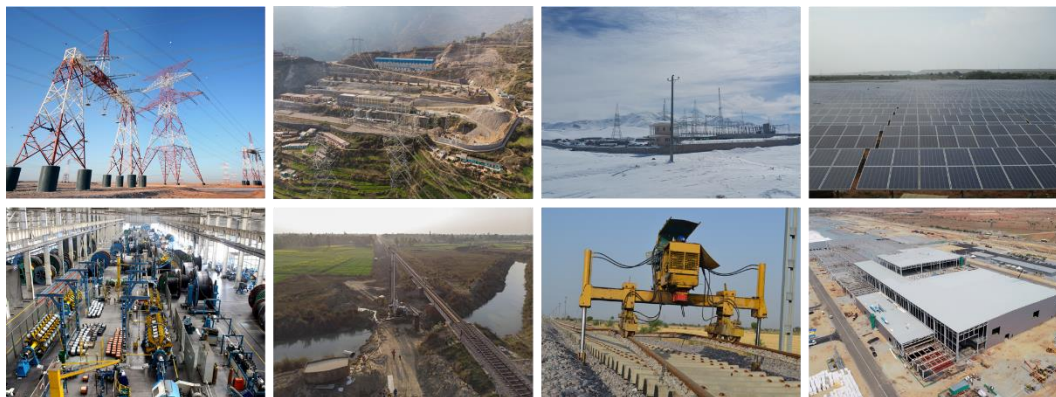
T&D: 54%**SAE : 3%****Order Book + L1 of ~Rs 23,000 Crs**

THANK YOU



Global Footprint in
100 countries*

*Includes EPC and Supply



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