

Kridhan Infra Limited

INVESTOR PRESENTATION | FEBRUARY 2018





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Q3FY18 Results Presentation





■ Successful Business Transformation

- The company has successfully transformed its business model and moved up the value chain as a full fledged EPC player

■ Significant Expansion in India Business

- Successfully strengthened India foothold through strategic acquisition
- India to contribute majority of revenue from FY19 onwards

■ Investment by marquee Investors via QIP

- Raised c.INR 1,280 million through marquee investors like GIC, HDFC AM, DSP Blackrock, HSBC AM

Order Book and New Order Wins

- Current order book of c.6,700 mn
- Kridhan's subsidiary, KH Foges, won order worth SG\$ 52.4 mn in Singapore
- Strong bid pipeline in both Singapore EPC Business and VNC

Operational Highlights

- 80% of the work completed at the Bukit Brown Project
- Bidding for new projects in SG EPC; results awaited
- SG FE - Weak quarter due to slowdown at projects; on track to meet full year guidance driven by strong order inflows

Financial Highlights

- Revenue consolidation eliminates the work done by KH Foges for Swee Hong
- Interest cost was higher on account of temporary loans taken to meet working capital requirements.
- Tax rate were lower due to reversal of higher provisions made earlier



Maintaining FY 19 Outlook

- **Targeting more than 2x top-line growth, maintaining 13%-14% EBITDA margin**
 - Strong India foothold through VNC
 - New projects in Singapore EPC business
 - Steady growth in Singapore foundation engineering business
- **Singapore EPC Business (Swee Hong)**
 - Current constraints on bidding for higher value business to ease off as net worth crosses relevant thresholds
 - Already started bidding for new EPC projects; strong bid pipeline (have bid for 4 new projects; results awaited)
- **Singapore Foundation Engineering Business**
 - Regulator BCA forecasts Singapore construction demand to grow 7%+ to S\$28-35bn range.
 - Kridhan's SG FE business should reflect similar growth.

Update on Strategic Stake in Vijay Nirman Construction Co.(VNC)



Transaction Update

- Shares issued to the investors of VNC for 31% stake - Allotment of 76,79,662 shares
- SSA signed for increasing stake to 50.5%

Company Overview

- A pedigreed private construction company with 35 years of operations
- Strong and growing order book of over INR 32 bn
- Completed over 400 projects – exceptional reputation in civil engineering design and project management skills
- Team of over over1,600 dedicated professional employees
- Fully equipped 20,000 Sqm Fabrication yard near VSEZ, Visakhapatnam

Key Business Activities

- 1 Roads, Bridges and Metros
- 2 Affordable Housing
- 3 Urban Infrastructure
- 4 Ports and Terminal

Strategic Fit

- Strengthens India Business by adding a strong execution team
- VNC business strongly complements Kridhan's global EPC skill set





Financial Highlights:

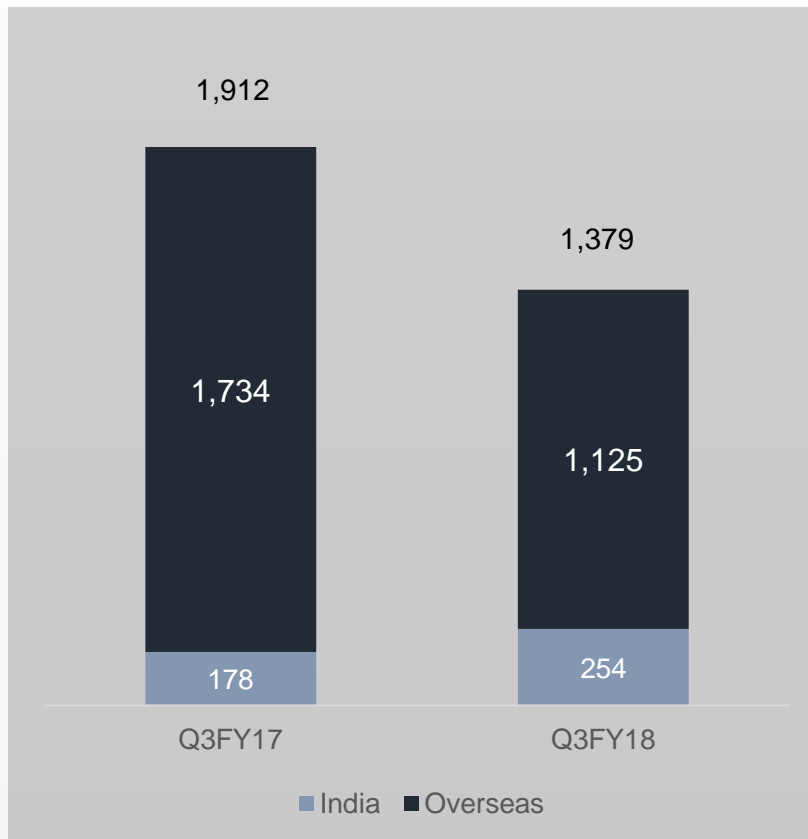
- 2QFY2018 revenue up 25% to S\$17.4 million compared to 2QFY2017 mainly due to increase in the progress of the ER382 project
- 2QFY2018 gross profit decreased to S\$1.2 million compared to 2QFY2017 mainly due to reversal in the accrual in 2QFY2017.
- 2QFY2018 other gains - net decreased to S\$417,000 compared to S\$535,000 in 2QFY2017 mainly due to scheme creditors write-off in 2Q2017
- Net Tangible Assets increased to S\$9.6 million as at 31 December 2017 as compared to S\$8.9 million as at 30 June 2017
- After successfully closing the Scheme Arrangement and improvement in execution capabilities for the projects, the Group has started tendering and is hopeful of being awarded new projects in near future.
- The Group has tendered for new projects and is waiting for the results of the tenders.

Current Projects being Undertaken

- The Bukit Brown Project (ER 382) - Road between Adam Road Flyover & MacRitchie Viaduct
- Nee Soon Tunneling Projects

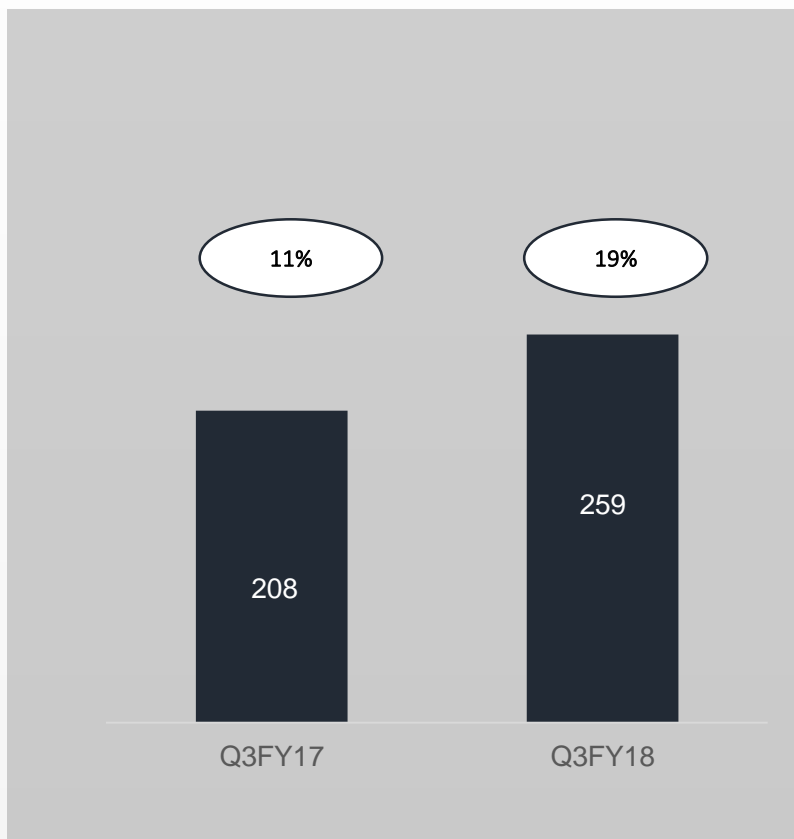


Revenue Break Up (INR Mn)



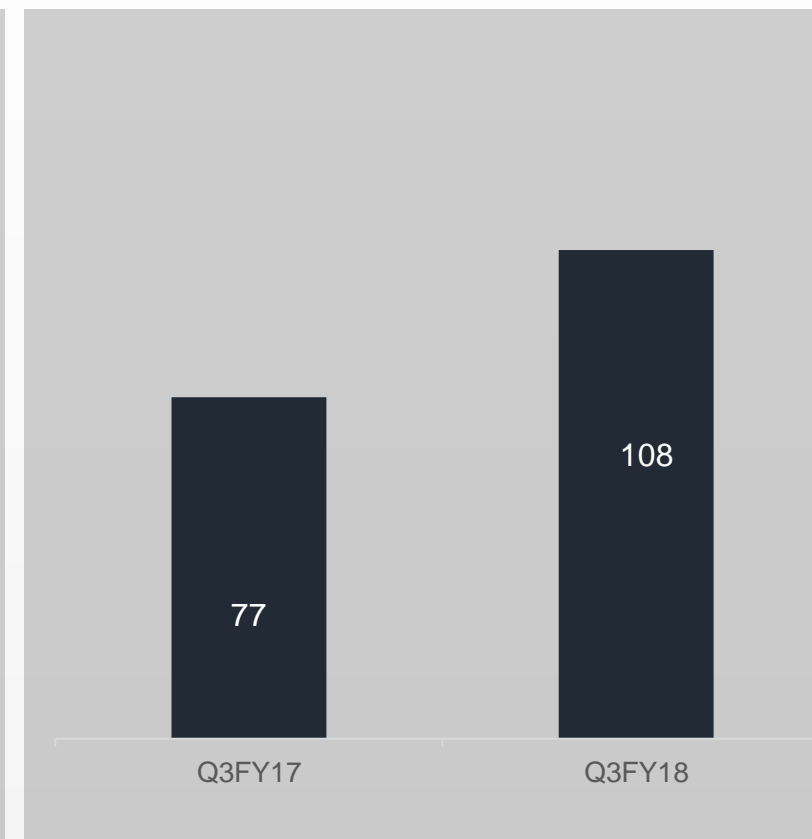
- Revenue consolidation eliminates the work done by KH Foges for Swee Hong

EBITDA (INR Mn) and EBITDA Margin (%)



- Sustainable margins expected to be in the range of 13%-14%

PAT (INR Mn)

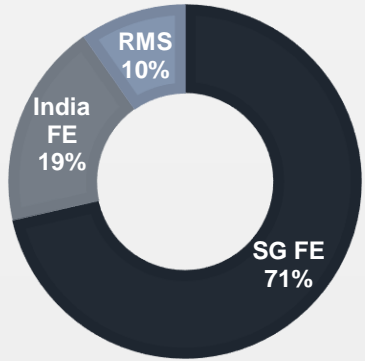


- PAT positively impacted due to lower tax rate on account of reversal of higher provisions
- Tax rate expected to be in the range of 9%-10% for SG operations

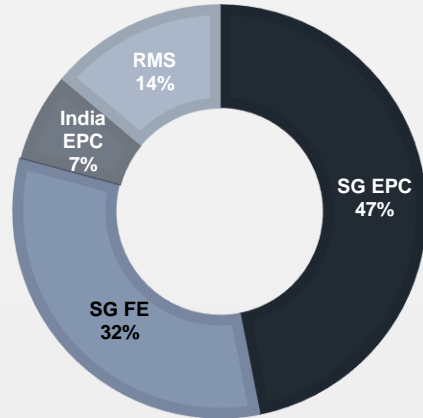
Robust Order Book: More diversified, More India Focused



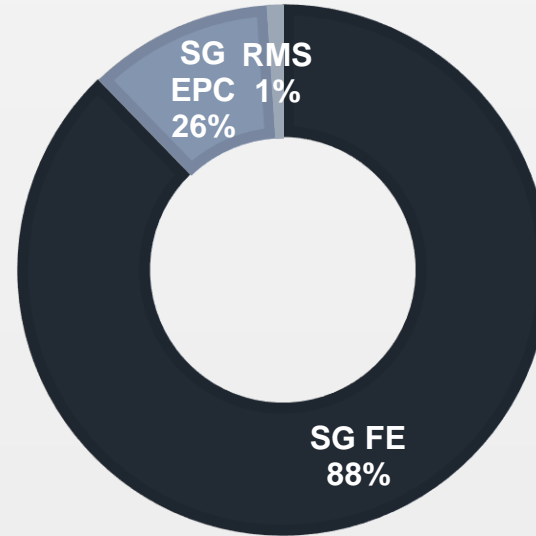
Order Book FY16
Rs 6,660 Mn



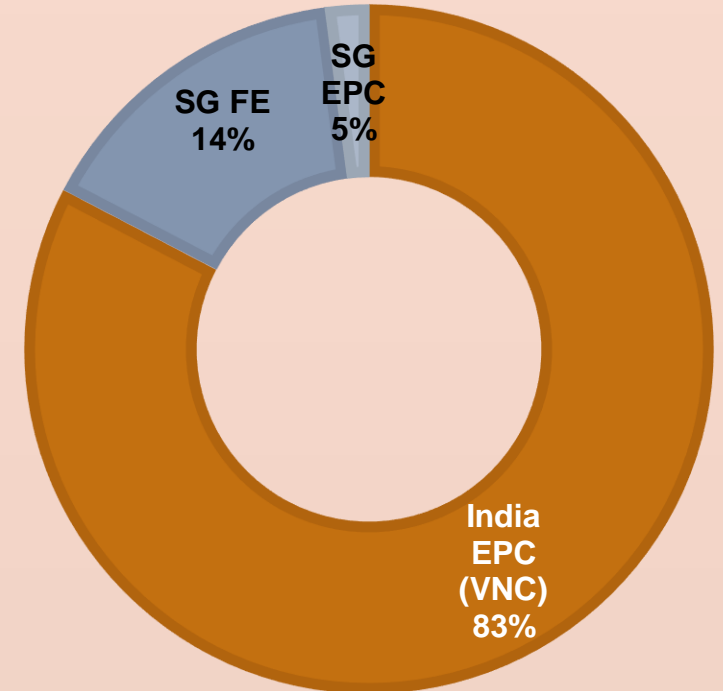
Order Book March '17
INR 7,915 Mn



Current Order Book
INR 6,700+ Mn



PROFORMA ORDER BOOK (with VNC)
INR 39+ billion





Strong Technical Skill Set

- Vast Industry Experience and niche technical skill set with experience in foundation engineering, micro tunnelling, overhead bridges, affordable housing, metros, ports and airports
- High precision work with superior quality
- Executed projects in toughest soil conditions

Significant Value Addition

- Superior Alternative Design
- Cost Effective Solutions

Superior Project Execution Skills

- Unparalleled on time project execution
- Competitive price and safe working conditions

High Safety Standards

- We have high safety standard and low accident frequency

Consolidated Financial Highlights – Q3FY18



INR Mn

	Q3FY18	Q3FY17	Change	Q2FY18	FY17
Revenue	1,379	1,913	-28%	2,121	6,882
Total Expenditure	1,275	1,834	-31%	1,955	6,228
EBITDA	259	208	25%	297	1,046
EBITDA Margin (%)	19%	11%	-	14%	15%
Interest	67	43	54%	42	176
Depreciation	88	86	2%	131	392
Other Income	18	17	5%	31	186
PBT	122	103	19%	155	664*
Tax	4	5	-22%	20	5
PAT	118	97	22%	136	659
PAT Margin (%)	9%	5%	69%	6%	10%
Minority Interest	10.1	20	-	9	201
Attributable PAT	108	77	40%	127	457
EPS (Rs/Share)	1.45	1.04	39%	1.83	13.28

Consolidated Financial Highlights – 9MFY18



	9MFY18	9MFY17	Change
			<i>INR Mn</i>
Revenue	5,353	5,058	6%
Total Expenditure	5,024	4,609	9%
EBITDA	807	812	-1%
EBITDA Margin (%)	15%	16%	-
Interest	139	107	30%
Depreciation	339	256	33%
Other Income	72	29	150%
PBT	401	1,503	-73%
Tax	36	37	-2%
PAT	361	1,466	-75%
PAT Margin (%)	7%	29%	-77%
Minority Interest	20.7	658	-
Attributable PAT	340	809	-58%
EPS (Rs/Share)	4.58	10.91	-58%

Balance Sheet



INR Mn	H1FY18	FY17
Share Capital	148	148
Reserves and Surplus	3,710	2,775
Minority Interest	198	169
Non Current Liabilities	1,676	1,219
<i>Long Term Borrowings</i>	1,092	686
<i>Deferred Tax Liabilities</i>	106	112
<i>Other Long Term Borrowings</i>	478	421
Current Liabilities	3,673	4,227
<i>Short Term Liabilities</i>	1,519	1,684
<i>Trade Payables</i>	1,910	1,898
<i>Other Current Liabilities</i>	181	645
Total Equity and Liabilities	9,405	8,538

INR Mn	H1FY18	FY17
Non Current Assets	4,464	4,285
<i>Fixed Assets</i>	2,151	2,374
<i>Goodwill on Consolidation</i>	1,876	1,437
<i>Non Current Investment</i>	19	38
<i>Other Non Current Assets</i>	419	436
Current Assets	4,941	4,253
<i>Inventories</i>	201	265
<i>Trade Receivables</i>	1,176	2,178
<i>Cash and Cash Equivalents</i>	103	297
<i>Short Term Loans and Advances</i>	439	440
<i>Other Current Assets</i>	2,867	1,063
Total Assets	9,405	8,538

Note: The figures for the FY 2017 include the figures of Swee Hong Limited, Singapore acquired during the financial year and hence are not strictly comparable with the figures of FY.2016



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