



# RKEC Projects Limited

Investor Presentation – H2FY19 & FY19





# Company Overview

- RKEC Projects, an over 33 years old leading Construction Company, is primarily engaged in the business of Civil Construction such as construction of Buildings, Highways, Marine Works and bridges
- During the last decade, undertaken and successfully completed many construction projects in India covering states of Andhra Pradesh, Tamil Nadu, Gujarat, Odisha, Rajasthan, Maharashtra, Kerala and Manipur
- In addition, the company has expanded its presence to three more states, Karnataka, Uttar Pradesh and West Bengal with its ongoing projects
- Company has completed 92 projects so far worth over Rs 1,700 Cr and currently working on 11 projects amounting to Rs 1,145 Cr
- Balance of work as on March 31, 2019 is Rs. 783 Cr



# Results Highlights – H2FY19 & FY19

Rs Crore	H2FY19	H2FY18	YoY (%)	FY19	FY18	YoY (%)
<b>Revenue from Operations</b>	<b>149.33</b>	<b>116.84</b>	<i>27.81</i>	<b>243.99</b>	<b>239.72</b>	<i>1.79</i>
Total Expenditure	124.08	99.38	24.85	201.87	201.29	0.29
<b>EBITDA</b>	<b>26.14</b>	<b>19.04</b>	<i>37.29</i>	<b>43.58</b>	<b>39.47</b>	<i>10.41</i>
EBIT	24.30	17.25	40.91	40.05	36.40	10.04
<b>PBT after Exceptional Items</b>	<b>21.31</b>	<b>14.66</b>	<i>34.90</i>	<b>34.61</b>	<b>30.43</b>	<i>13.74</i>
<b>PAT</b>	<b>15.16</b>	<b>9.57</b>	<i>58.41</i>	<b>24.13</b>	<b>20.35</b>	<i>18.57</i>
<b>EBITDA Margin</b>	<b>17.50%</b>	<b>16.30%</b>	<i>+121 bps</i>	<b>17.86%</b>	<b>16.47%</b>	<i>+139 bps</i>
<b>PAT Margin</b>	<b>10.15%</b>	<b>8.19%</b>	<i>+196 bps</i>	<b>9.89%</b>	<b>8.49%</b>	<i>+140 bps</i>

Note: The above financials are on Standalone basis



# Balance Sheet – FY19

Rs Crore	FY18	FY19
<b>Total Shareholder's funds</b>	<b>74.73</b>	<b>95.98</b>
Share Capital	23.99	23.99
Reserves & Surplus	50.74	71.98
<b>Non-Current Liabilities</b>	<b>1.36</b>	<b>2.13</b>
Long Term borrowings	1.20	1.51
Long term provisions	0.17	0.62
<b>Current Liabilities</b>	<b>73.59</b>	<b>136.50</b>
Short Term Borrowings	13.83	46.64
Trade Payables	41.31	75.07
Other Current Liabilities	15.29	12.35
Short Term Provisions	3.15	2.44
<b>Total Equity and Liabilities</b>	<b>149.69</b>	<b>234.61</b>

Rs Crore	FY18	FY19
<b>Non Current Assets</b>	<b>15.14</b>	<b>30.65</b>
Tangible Assets	14.21	19.55
Intangible Assets	0.04	0.020
Capital WIP	0.00	9.97
Non Current Investments	0.00	0.13
Deferred Tax Assets (Net)	0.88	0.98
<b>Current Assets</b>	<b>134.55</b>	<b>203.95</b>
Inventories	15.10	44.52
Trade Receivables	82.03	82.15
Cash & Bank Balance	18.43	33.05
Short Term Loans & Advances	17.45	42.12
Other Current Assets	1.54	2.11
<b>Total Assets</b>	<b>149.69</b>	<b>234.61</b>

Note: The above financials are on Standalone basis



# Operational Highlights – FY19

- Better execution of our projects and operational efficiencies led to Net Profit growth of 18.6% in FY19 to Rs 24.1 crore
- Total of seven projects worth Rs 712 crore were allotted during the year FY19
- Farakka Bridge Project (construction of 4 lane bridge over River Ganga) was the largest contract received during the year. The contract value of the project is Rs 521.2 crore and duration of 36 months
- Company has already achieved the first milestone of the bridge project within 90 days against the target of 180 days
- Projects - Construction of Jetty with loading facility at Visakhapatnam, construction of Multi-user liquid terminal at Cochin Port Trust, construction of ROB (Road over Bridge) at Pondicherry and provision of OTM accommodation at Leimakhong were completed during FY19
- Company has realised an amount of Rs 5.17 crore from United Insurance Company after Protracted Correspondence
- Purvanchal authorities called for an amicable settlement by ordering a committee from PuVVNL (Purvanchal Vidyut Vitaran Nigam Ltd) and RKEC to inspect work done. Receivables are to the tune of Rs 63 crore



# Details of Ongoing Contracts- Unexecuted Order-Book at Rs 783 Crore

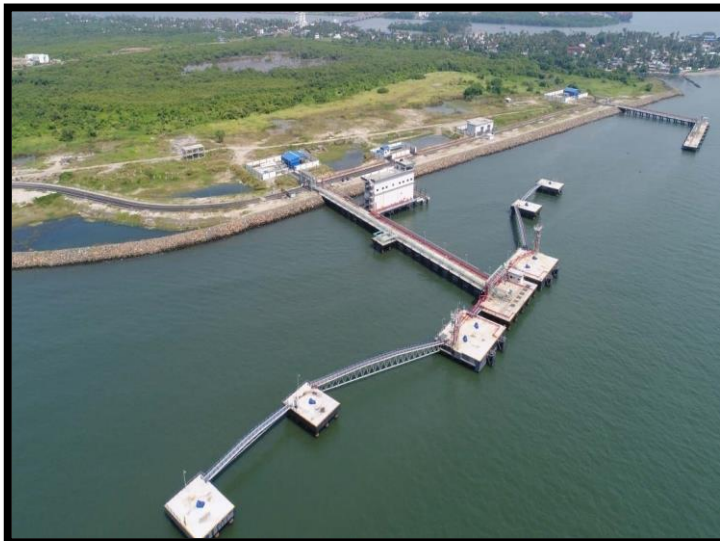
	Description of the work	Location	Value of Contract (Rs Cr)	Date of commencement of work	Value of work remaining (Rs Cr)	Duration (months)	Scheduled date of completion
1	Augmentation of Shore Supply at N-4 to N-26 Jetties, Dry Docks, Slipways and Degaussing Bay including associated works at ND(V)	Visakhapatnam	19.89	Nov-15	4.18	24	Sep-19
2	Construction of Jetty with Loading Facility	Visakhapatnam	149.73	Aug-15	15.73	30	Jun-19
3	Rural Electrification works of Pratapgarh Dist. In UP Rajiv Gandhi Vidyut Yojna	Varanasi	120.36	Jul-15	35.43	24	Mar-20
4	Construction Of Coastal Berth at JNPT Port	Mumbai	143.33	Apr-17	88.26	24	May-20
5	Construction of Indoor Sports Arena in MVP Colony abutting to A.S.Raja College Grounds under Smart City	Visakhapatnam	19.90	Aug-18	19.90	12	Aug-19
6	Construction of new 4 Lane Bridge over River Ganga	Farakka	521.20	Dec-18	452.96	36	Dec-21
7	Re-Construction Of New Building And Store Accommodation For Water Front Facility And Slipway	Visakhapatnam	7.20	Oct-18	7.19	18	Apr-20
8	Construction of jetty to semi submersible pontoon	Visakhapatnam	46.96	Nov-18	43.19	20	Jul-20
9	Construction of Berth and Approach Trestle for development of Barge/Vessel loading facility	Honnvar	95.94	Feb-19	95.94	12	Feb-20
10	Rejuvenation of Vinayak Sagar lake (phase-02)	Tirupati	8.40	Feb-19	8.40	6	Aug-19
11	Design, execution, operation and maintenance of sports arena at Indira Maidan and Sri Srinivasa Sports complex	Tirupati	12.23	Mar-19	12.23	4	Jul-19
<b>Total</b>			<b>1145.14</b>		<b>783.41</b>		

# Projects completed in FY19

**Construction of Multi-User Liquid Terminal at Cochin Port**

**Value of Work : Rs 217.32 crore**

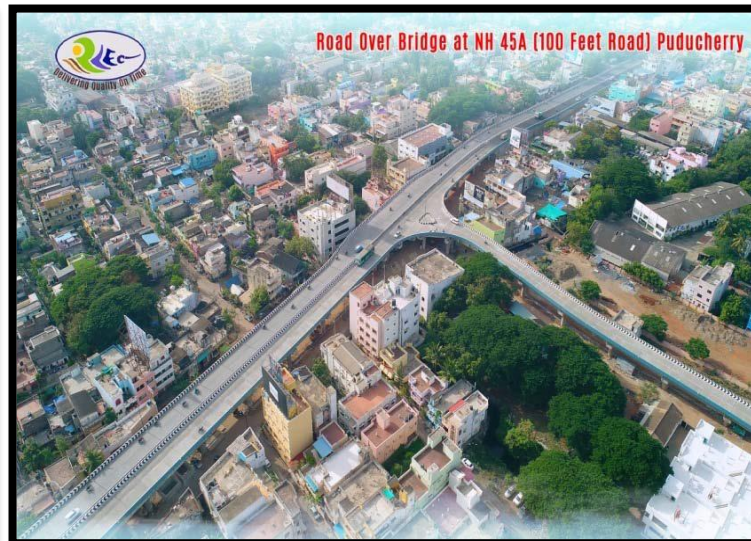
**Completed in : Sept 2018**



**Construction of Road over Bridge at NH-45A in Puducherry**

**Value of Work : 34.96 crore**

**Completed in : May 2018**



**Provision of OTM accommodation No.1 at Leimakhong**

**Vale of work: Rs 19.73 crore**

**Completed in : Dec 2018**



# Ongoing Projects

**Augmentation of Shore Supply at N-4 to N-26 Jetties, Dry Docks, Slipways and Degaussing Bay including associated works at ND(V), Visakhapatnam**

**Value of work remaining : Rs 4.2 crore**



**Construction of Jetty with Loading Facility, Visakhapatnam**

**Value of work remaining : Rs 15.7 crore**



**Rural Electrification works of Pratapgarh Dist. In UP Rajiv Gandhi Vidyut Yojna, Varanasi**

**Value of work remaining : Rs 35.4 crore**





# Ongoing Projects

**Construction Of Coastal Berth at JNPT Port, Mumbai**

**Value of work remaining : Rs 88.3 crore**



**Construction of Indoor Sports Arena in MVP Colony abutting to A.S.Raja College Grounds under Smart City, Visakhapatnam**

**Value of work remaining : Rs 19.9 crore**



**Construction of new 4 Lane Bridge over River Ganga, Farakka**

**Value of work remaining : Rs 452.9 crore**



# Ongoing Projects

**Re-Construction Of New Building And Store Accommodation For Water Front Facility And Slipway, Visakhapatnam**

**Value of work remaining : Rs 7.2 crore**



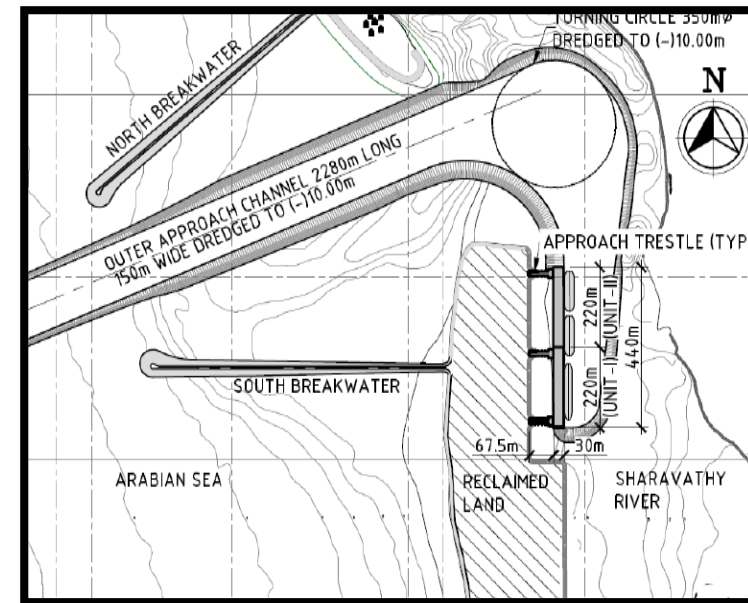
**Construction of jetty to semi submersible pontoon, Visakhapatnam**

**Value of work remaining : Rs 43.2 crore**



**Construction of Berth and Approach Trestle for development of Barge/Vessel loading facility, Honnavar**

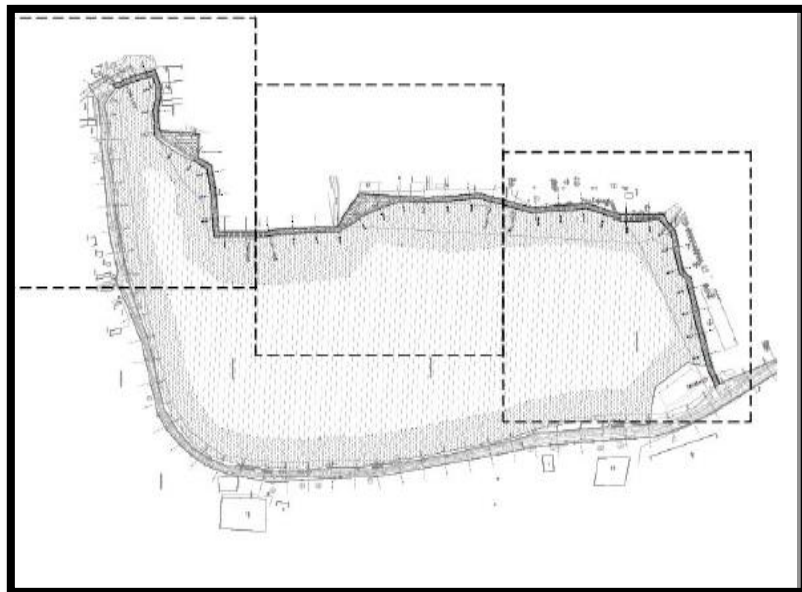
**Value of work remaining : Rs 95.9 crore**



# Ongoing Projects

Rejuvenation of Vinayak Sagar lake (phase-02), Tirupati

Value of work remaining : Rs 8.4 crore



Design, execution, operation and maintenance of sports arena at Indira Maidan and Sri Srinivasa Sports complex, Tirupati

Value of work remaining : Rs 12.2 crore



# Outlook

- ❑ **Strong revenue visibility with current unexecuted order-book of Rs 783 crore, which is over 3x of FY19 revenues**
- ❑ **With Stable Government at Centre, good amount of investment is expected on augmenting infrastructure in the country.**
- ❑ **Good tender flows expected from all the key segments like Ports, Roads, Buildings and Electrification in the coming period**
- ❑ **Company has been exploring bids for projects and expected to add good amount of fresh orders in FY20**
- ❑ **Focus on improving execution and operational efficiencies would help in further improvement in margins**
- ❑ **With balance sheet remains healthy (Debt/equity at 0.5x in FY19), the company is well placed to better execute its projects and further look for opportunities in this space leading to increase in profitability**



# Thank You

**For Further Information, Please contact:**

<b>Company:</b>	<b>Investor Relations Advisors:</b>
<b>RKEC Projects Ltd.</b> Brig G S Narayana, VSM (Retd) - CFO <a href="mailto:satya@rkecprojects.com">satya@rkecprojects.com</a> <a href="http://www.rkecprojects.com">www.rkecprojects.com</a>	<b>Intellect</b> <b>Mr. Vijay Goel</b> <a href="mailto:vijay@intellectpr.com">vijay@intellectpr.com</a> 9920124357