

# Kridhan Infra Limited

INVESTOR PRESENTATION | Q1FY18





This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.



## Strategic Update

- Enters into an MoU to acquire a strategic stake in Vijay Nirman Construction Company; a pedigreed 35 year old construction company with strong technical skill set
  - Acquisition to significantly enhance India execution team
  - Historically worked with key marquee clients - NHAI, GMR, Sadbhav Engineering etc
  - Strong order book of over INR 25 billion
- 

## Operational Highlights

- First full year consolidation of Swee Hong accounts
  - Started bidding for EPC projects in Singapore; new order inflows to translate in top-line from Q3FY18
- 

## Financial Highlights

- Revenue increased by 28% to INR 1,853 million
  - Maintained strong EBITDA margin of over 13%
  - Q1 numbers impacted due to full year consolidation of Swee Hong
-

# MoU to Acquire Strategic Stake in Vijay Nirman Construction Company



## Company Overview

- A pedigreed private construction company with 35 years of operations
- Strong technical skill set with a strong leadership team
  - It has a total of more than 1,600 equipment units to complement its 1,600-1,700 strong staff team
- Completed over 400 projects – exceptional reputation in civil engineering design and project management skills

## Core Strength

- Team of over over 1,600 dedicated professional employees
- In-house Design & Execution and Training Academy
- Fully equipped 20,000 Sqm Fabrication yard near VSEZ, Visakhapatnam

## Key Financials and Timelines

- Generated more than INR 65 bn over last 10 years
- Current Order book of over INR 25 bn
- Timeline – Expected to close by end CY17

## Key Business Activities

1

Roads, Bridges and Metros

2

Industrial Infrastructure

3

Urban Infrastructure

4

Ports and Terminal





## FY 18 Outlook

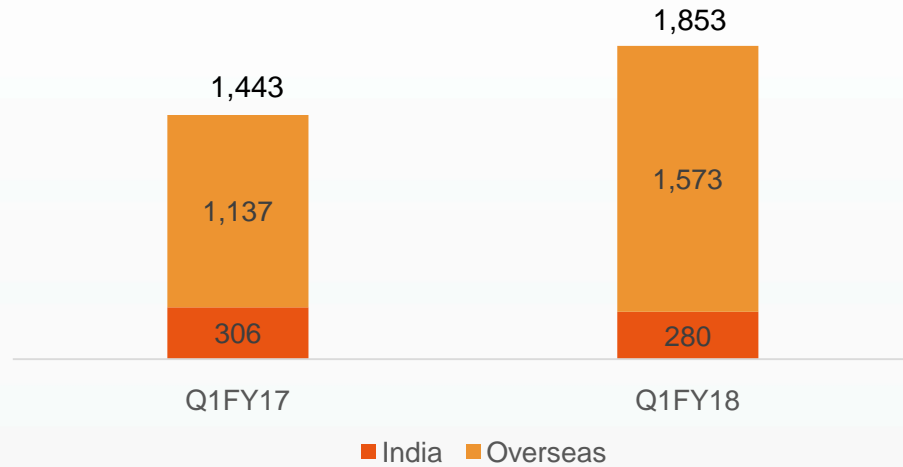
- **Singapore EPC Business (Swee Hong)**
  - Current constraints on bidding for higher value business to ease off as net worth crosses relevant thresholds
  - Already started bidding for smaller projects. Expect to report significant new order wins from 2H FY2018
- **Singapore Foundation Engineering Business**
  - Regulator BCA forecasts Singapore construction demand to grow 7%+ to S\$28-35bn range.
  - Kridhan's SG FE business should reflect similar growth.
- **India EPC Business**
  - Signed Binding MoU to augment India Execution Capabilities
  - Started bidding for new projects in civil engineering space based on Swee Hong and KH Foges pre-qualifications.
- **Targeting 40-50% top-line growth, maintaining margins\***
  - Full year consolidation of Swee Hong accounts
  - New projects in Singapore & India EPC business
  - Steady growth in Singapore foundation engineering business

\* Excluding India Business

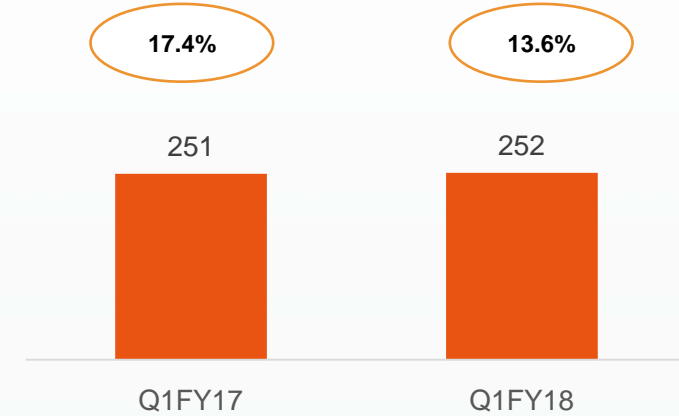
# Results Summary – Q1 FY18



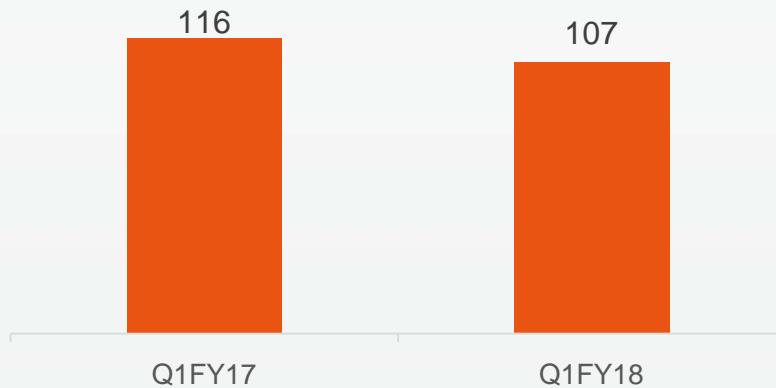
Revenue Break Up\* (INR Mn)



EBITDA (INR Mn) and EBITDA Margin (%)



Net Profit



■ Revenue higher by 28%; primarily driven by Swee Hong Acquisition

■ Sustainable EBITDA margin of 13%-14%



## Financial Highlights:

- Achieved operational and financial turnaround soon after Kridhan group acquired the business from judicial management.
- Successfully completed the scheme of arrangement in July 2017
- Proposed issue of \$7 mn convertible bond in order to strengthen the Company's financial position and flexibility to capitalise on growth opportunities
- For full year FY17, Revenues were up 44% at S\$59 million
  - Revenue from civil engineering segment increased by \$11.2 million from \$39.6 million in FY2016 to \$50.8 million in FY2017 mainly due to increased progress of the on-going projects, particularly the ER382 Bukit Brown.
  - Revenue from tunnelling segment increased by \$6.9 million from \$1.1 million in FY2016 to \$8.0 million in FY2017 mainly due to increased progress on Nee Soon tunnelling project.
  - The Group's gross profit of \$ 7.8 million is an increase of \$9.80 million approximately from a gross loss of \$2.0 million in FY2016 mainly due to profit arising from Civil Engineering and Tunnelling Segments as a result of Increased activity on the Projects.
  - Net profit during FY2017 was S\$30.2 million compared to a loss of S\$10.3 million in FY2016.

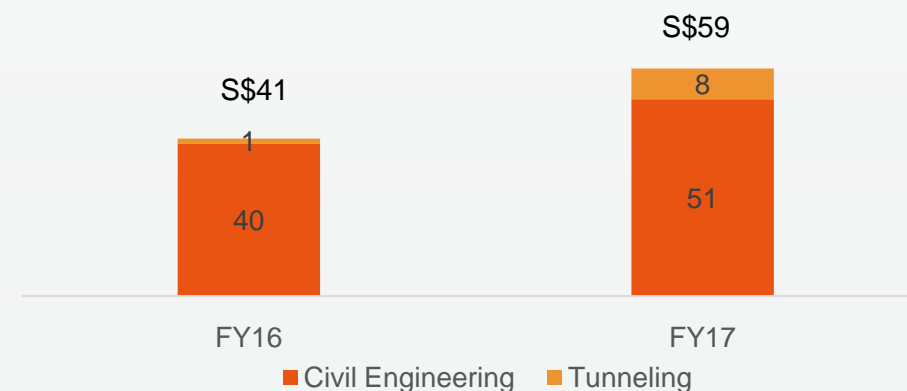
## SWEE HONG ORDER BOOK

The unfulfilled order book of the Company is approximately \$ 49.74 million as of 30 June 2017

### Projects being Undertaken

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

### Revenue Break Up (SGD mn)



Note: Swee Hong follows a July to June financial year

# Consolidated Financial Highlights



INR Mn (except as stated)	Q1FY18	Q1FY17	Change (%)	FY17
<b>Revenue</b>	<b>1,853</b>	<b>1,443</b>	<b>28%</b>	<b>6,882</b>
Total Expenditure	1,753	1,309	34%	6,404
<b>EBITDA</b>	<b>252</b>	<b>251</b>	<b>0%</b>	<b>1,046</b>
<i>EBITDA Margin (%)</i>	<i>13.6%</i>	<i>17.4%</i>	-	<i>15.20%</i>
<i>Interest</i>	<i>30</i>	<i>29</i>	<i>5%</i>	<i>175</i>
<i>Depreciation</i>	<i>121</i>	<i>88</i>	<i>38%</i>	<i>392</i>
<i>Other Income</i>	<i>23</i>	<i>5</i>	<i>335%</i>	<i>186</i>
<b>PBT*</b>	<b>123</b>	<b>139</b>	<b>-12%</b>	<b>664</b>
<i>Tax</i>	<i>12</i>	<i>23</i>	<i>-47%</i>	<i>5</i>
<b>PAT</b>	<b>107</b>	<b>116</b>	<b>-8%</b>	<b>659</b>
<i>PAT Margin (%)</i>	<i>5.79%</i>	<i>8.05%</i>	<i>-28%</i>	<i>9.57%</i>
Minority Interest	2	12	-83%	201
<b>Attributable Profit</b>	<b>105</b>	<b>104</b>	<b>1%</b>	<b>457</b>
EPS	1.42	1.41	-	-

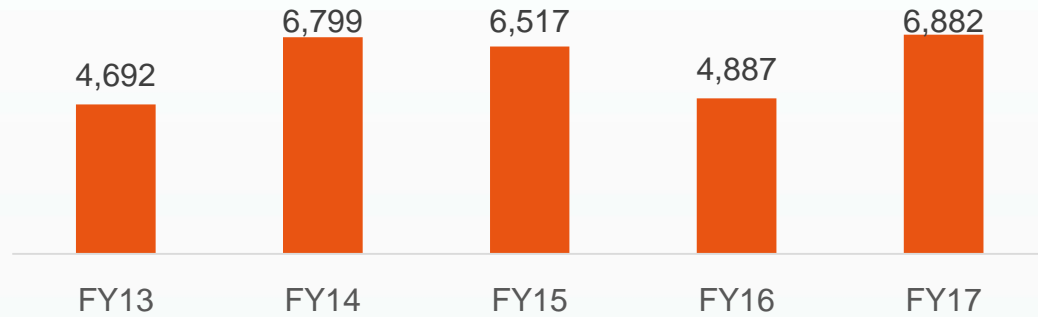
\* Excluding Exceptional; FY17 PAT no excludes exceptional items



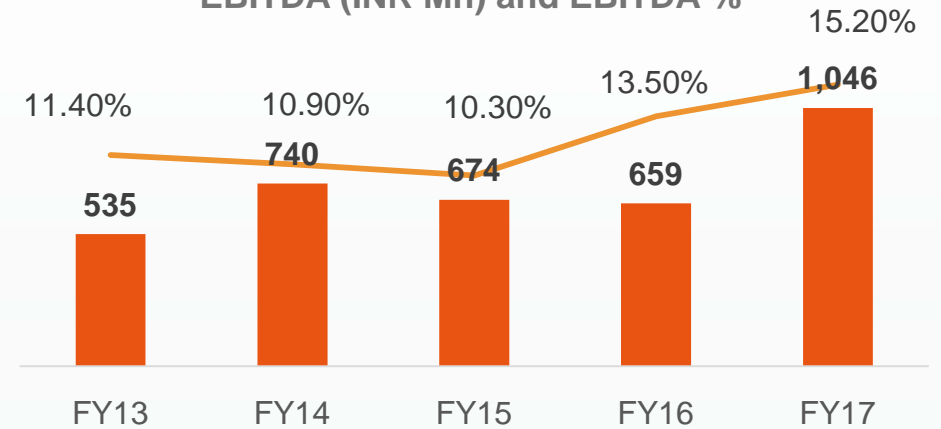
# Historical Financial Performance



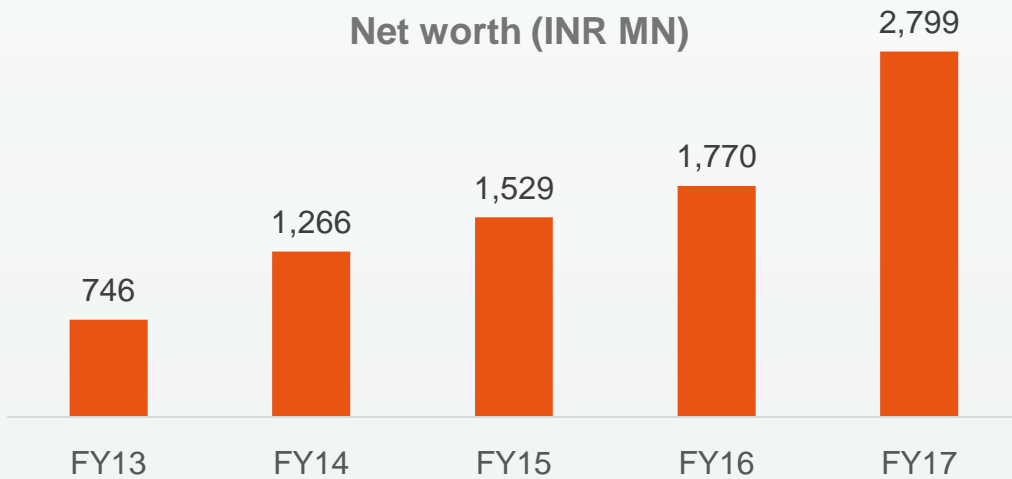
Total Revenue (INR Mn)



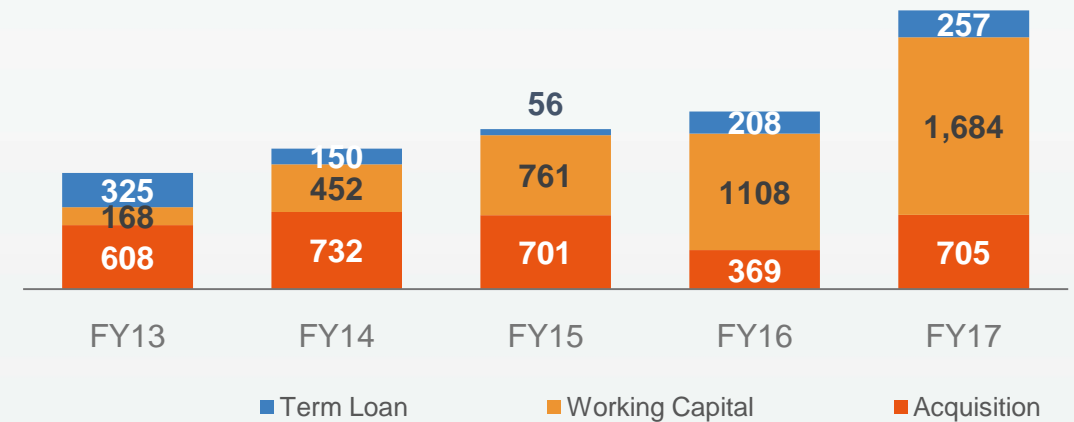
EBITDA (INR Mn) and EBITDA %



Net worth (INR MN)



Debt (INR Mn)



# Balance Sheet



INR Mn	FY17	FY16	FY15
Share Capital	148	148	136
Reserves and Surplus	2,650	1,622	1,394
Minority Interest	169	156	145
Non Current Liabilities	1,243	855	1,084
<i>Long Term Borrowings</i>	712	577	757
<i>Deferred Tax Liabilities</i>	112	109	116
<i>Other Long Term Borrowings</i>	418	169	211
Current Liabilities	4,229	2,609	2,620
<i>Short Term Liabilities</i>	1,684	1,108	761
<i>Trade Payables</i>	1,898	836	1,019
<i>Other Current Liabilities</i>	634	616	840
<b>Total Equity and Liabilities</b>	<b>8,440</b>	<b>5,390</b>	<b>5,416</b>

INR Mn	FY17	FY16	FY15
Non Current Assets	4,190	2,659	2,863
<i>Fixed Assets</i>	2,275	1,848	1,930
<i>Goodwill on Consolidation</i>	1,437	223	225
<i>Non Current Investment</i>	38	53	52
<i>Other Non Current Assets</i>	439	536	644
Current Assets	4,250	2,731	2,553
<i>Inventories</i>	265	187	268
<i>Trade Receivables</i>	2,178	770	742
<i>Cash and Cash Equivalents</i>	302	243	200
<i>Short Term Loans and Advances</i>	440	308	159
<i>Other Current Assets</i>	1,065	1,223	1,185
<b>Total Assets</b>	<b>8,440</b>	<b>5,390</b>	<b>5,416</b>

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



1

## Well positioned to benefit from the growing Infrastructure Demand in Asean and India

- Strong impetus on infrastructure development in India;
  - Singapore Government: continued focus on infrastructure development, annual S\$27-34bn construction contract award with a focus on promoting domestic construction companies
- 

2

## Amongst Leading Home-Grown EPC Companies in Singapore

- Singapore's 2nd largest Foundation Engineering Company
  - Prestigious L6 Certification enables them to tender for unlimited value projects for piling work
  - Moves up the value chain to become a full-fledged EPC player through acquisition of Swee Hong
  - Expertise in tunneling, sewer works, bridge works, roads works, flyovers, among others
- 

3

## Expanding India Business

- Enters into an MoU to acquire a strategic stake in Vijay Nirman Construction Company
    - A pedigreed private construction company with 35 years of operations
  - Significantly enhances India Execution Capabilities
- 

4

## Substantial Revenue Growth Targeted through a two-pronged growth strategy

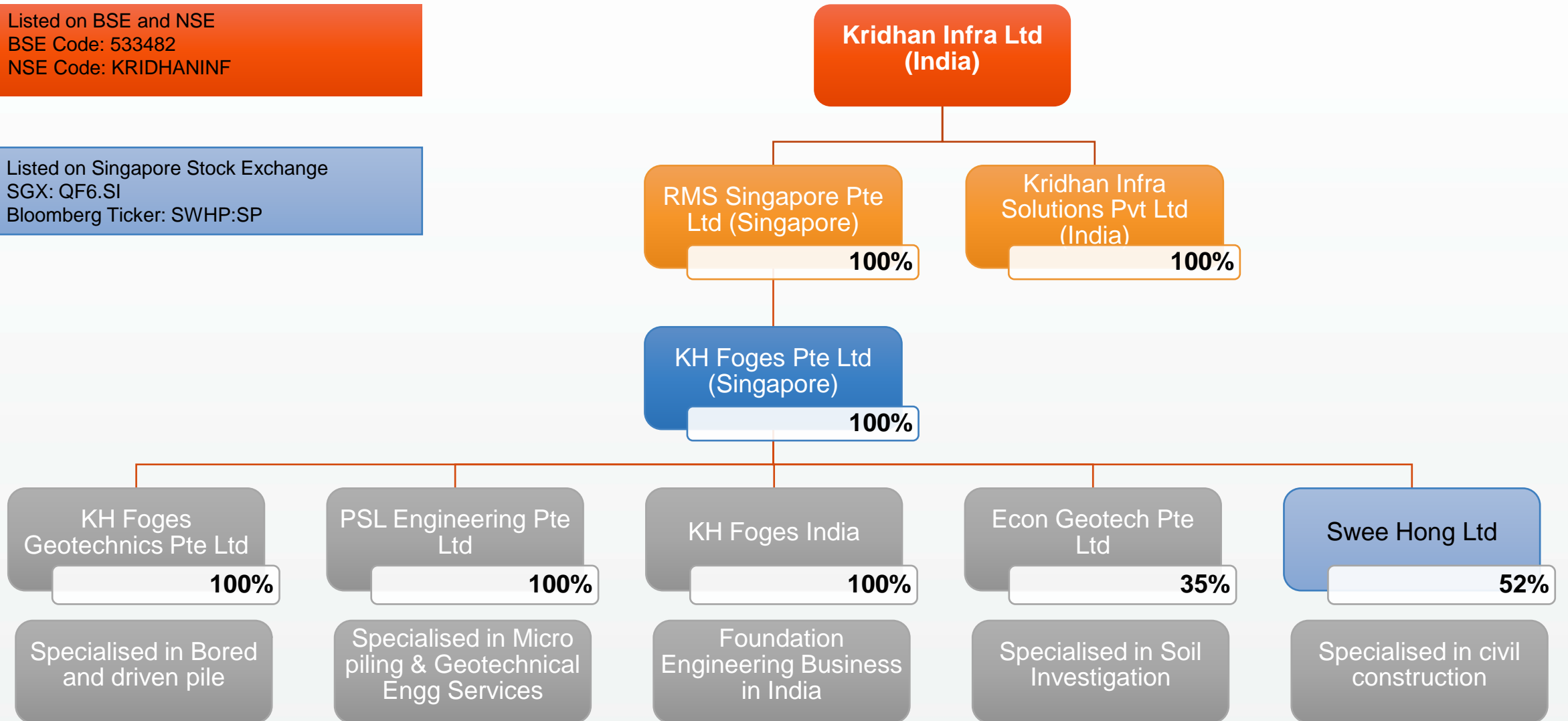
- Turning around Swee Hong in Singapore
- Pushing Singapore capabilities (IPR in Foundation Engineering and Micro-Tunneling, access to low cost capital) in India

# Group Structure



Listed on BSE and NSE  
BSE Code: 533482  
NSE Code: KRIDHANINF

Listed on Singapore Stock Exchange  
SGX: QF6.SI  
Bloomberg Ticker: SWHP:SP





## Contact Detail

Ms. Sheetal Khanduja

Go India Advisors

+91 9769364166

[sheetal@goindiaadvisors.com](mailto:sheetal@goindiaadvisors.com)