



CORPORATE PRESENTATION

Dec'17 Results (Standalone)

Simple solutions for **complex** structures



Disclaimer

- **Certain statements in this presentation concerning our future growth prospects are forward- looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, our ability to successfully implement our strategy, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global infrastructure sector, increasing competition in and the conditions of the Indian infrastructure sector, changes in political conditions and regulatory framework in India. Neither our company, nor our directors nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events even if the underlying assumptions do not come to fruition.**



Simplex Background

Established in 1924 and executed over 2900 projects.

Presence pan-India and Overseas with over 200 ongoing projects.

Presence across all Construction Verticals—Ground Engineering, Industrial, Building & Housing, Power—Thermal; Nuclear; Hydel; Power Transmission, Marine Ports, Roads; Railways; Bridges; Elevated Road & Rail Corridors and Urban Infra – Airports; Metro Rails; Sewerage and Utilities.

Repeat orders from reputed & large clientele.

Mundhras took over in 1947 and grew 17% CAGR over 70 years.

An uninterrupted profit track record since inception.

5% of Order Book and 9% of Revenue from Overseas for 9MFY18.

Order Book ₹ 176530 mn as of 9MFY18.

Order Inflow in 9MFY18 ₹ 50712 mn in addition to L1 status of ₹ 13300 mn.

9MFY18 Sales- ₹ 40524 mn . CAGR : 10 Yrs 13% and 15 Yrs 19%.

Permanent Employees 7336 and owned Construction Equipment ₹ 29962 mn as of Dec17.



Milestones

1992 - Built international class hotel at Tashkent, Uzbekistan

1993 - Went Public

1990 - Piling jobs in UAE – Abu Dhabi

1996 - Follow on public issue of Equity shares & Rights Issue of POCD

1960 - Foray into construction of Thermal Power Plants ranging 10 to 4000 MW

2000 – Added more construction verticals

1958 - Designed and constructed the first RCC framed structure in Asia, the 17-storied National Tower in Kolkata

2004 – Began Overseas Expansion.

2005 - Private Placement of 15% equity shares for ₹ 93 cr at ₹ 726 per share of ₹ 10 each.

1947 – Mundhras Take over

2006 - Split ₹ 10 Equity Share into 5 Shares of ₹ 2 each

1940 - Built King George Docks in Mumbai

2007 – QIP ₹ 400 crs, 13% dilution at ₹ 625 per share of ₹ 2

1935 – Foray into construction of Industrial Structures

2010 – Foray into Power T&D and Road BOT

1924 - Pioneered cast-in-situ driven piles in Asia.

2011 – Entry in Ethiopia, Bangladesh & Saudi Arabia

1924

2017



Simplex - Organisational Strength

- Promoters solely focussed on this business for nearly 7 decades.
- Promoters hold 56% Institutions 20%.
- Some of the key investors include Funds like HDFC, Reliance MF, SBI Bank , General Insurance etc.
- Long Employee association – Avg. 15 yrs for top & middle levels.
- Graduate Engineers 1286 , Diploma Engineers 1630, Technicians 2902, CA/MBA – 201, Graduate & Post Graduate 1317.
- Owned construction equipment ‘ 29962 mn.
- Strong Project planning and monitoring system based on in-house developed ERP.



Simplex - Business Strengths

Risk-mitigated Business Model

Risk-mitigated, well-diversified and spread out construction revenues
The largest sector in revenues – Bldg & Hsg construction 35%.
The largest sector in order book – Bldg & Hsg construction 27%.
Single Client exposure average 0.56%., highest 6.9%
Very low and selective exposure to BOT . Entire focus on EPC .
Negligible Import intensity. But Export is 9%

Good Quality Order Book

Stringent Project selection and diligence process.
Diversified order book across 213 Contracts, 9 verticals & 9 countries
Domestic 95% , Overseas 5%.
Shorter project duration of 3 months to 40 months, avg 2.5 years.
Blended EBITDA margin of ~11.8%.

Superior Execution Capabilities

Completed 2900 project across business segments and geographies.
In-house 200+ project execution teams with ' 29962 mns owned construction equipments.
Robust planning and management systems for projects, plants and human resources.
In house developed ERP for realtime project management and monitoring.
Continuous Training of labour, supervisors, artisans, construction engineers and others.



Business Strength – Segments...



Ground Engg.
(5/12%)*

Since 1924. Introduced Ground Engg. techniques in the Indian sub-continent. Ground Engg. includes Piling - Driven cast-in-situ, Driven Precast RCC, Bored cast-in-situ RCC, Under-reamed, Diaphragm walls; Ground Strengthening.

Major orders : Gujarat UMPP, BHEL, BGR, BPCL.



Industrial
(13/13%)*

Since 1935. Associated with many industrial majors with several repeat orders Presence across varied industries – cement, steel, aluminum, copper, engineering, automobile, petrochemicals, oil & gas, fertilizers, paper, textiles, chemicals, pharmaceuticals and shipyard

Commissioned 5000TPD Cement plant on EPC basis for Gulf cement – Qatar. Preferred Contractor in Reliance Jamnagar Complex 3.



Building & Housing
(35/38%)*

Since 1955. Introduced first RCC-framed structure in South-East Asia (designed and built 17-storied National Tower at Kolkata)

High-end High- rise residential towers, hotels, and institutional buildings 18 million square feet in 80 towers(the tallest 117 storied) under construction.

Currently Building for Sheth, Lodha, Brigade, DLF, Keppel, Tata Housing , Mantri, Salarpuria, Hiranandani, Raheja , Godrej, Ritz Carlton Prestige, Phoenix , Hilton , ITC, IIT's , IIM's, Al-Arab contractor & Al-Tejir.



Power
(21/10%)*

Since 1960. Worked on thermal power plants – coal, gas, oil-based (10 MW to 4000 MW), nuclear power plants, hydel plants

Associated with about 150 or 80% of thermal power plants in India

Major Orders - Maithon ,Bajaj Infra, BHEL,NTPC, Vedanta, NHPC ,Gujarat UMPP, Jindal, Samsung, Bharat Forge,Sintex.

* Figures in bracket are per cent of revenue for 9MFY18/FY17



.... Business Strength - Segments



Marine
(1/4%)*

Since 1940. Started with King George Docks in Mumbai

Associated with many major ports in India and area of operations includes design & const. of on-shore and off-shore structures.

Commissioned the largest ICTT Kochi for DP World , at JNPT for Maersk.

Major Orders – Cochin, Adani, Karaikal , Paradeep., Mundra, Goa Shipyard.



Roads
(4/4%)*

Since 1980.

Associated with projects under GQ, NSEW

Major orders – NHAI & NHIDCL.



**Bridges &
Railways**
(6/7%)*

Since 1982.

Built the largest 12km PVNR Expressway, 12Km Eastern Freeway.

Elevated road corridors in Hyderabad , Mumbai ,Delhi, 6 flyovers in Muscat.

Successfully completed trial runs for Hi- speed- 200km Gooty - Pullampet for RVNL.



Urban Infra
(15/13%)*

Since 1965.

Metros, Airports, sports & entertainment complexes, capital city infrastructures

Water and sewerage systems.

Metros – Mumbai ;Delhi; Kolkata; Ahmedabad ,Bangalore; Dubai. Sewerage : Ranchi, Jabalpur, Indore, Kolkata, Bilaspur & Hyderabad corporations.

Airports – Udaipur ,Jaipur , Durgapur – Aerotropolis, Vijayawada.

* Figures in bracket are per cent of revenue for 9MFY18/ FY17



Business Strength – Diversity of Sales

Segments	Sales (in %)					
	FY13	FY14	FY15	FY16	FY17	9MFY18
Figures in %						
Piling & Ground Engg.	6	6	6	8	12	5
Industrial	10	12	16	12	13	13
Bldg. & Hsg.	18	26	28	33	38	35
Power	32	22	12	10	10	21
Marine	1	1	3	5	4	1
Roads	8	15	15	5	4	4
Railways	2	2	2	2	4	2
Bridges	12	6	8	9	3	4
Urban Utilities	11	10	10	16	13	15
Total (%)	100	100	100	100	100	100
Turnover (‘. mns.)	59214	56154	56605	58553	55764	40524
Growth YOY(%)	-1%	-5%	1%	7%	-5%	1%
Overseas Sales (%) of Tot	8%	12%	18%	9%	14%	9%



Business Strength – Robust & Diverse New orders

Segments	Order Inflow (in %)						
	FY12	FY13	FY14	FY15	FY16	FY17	9MFY18
Piling	7	3	4	8	4	3	7
Power	39	15	3	12	17	32	26
Industrial	3	5	7	16	5	6	3
Marine		6	‘	5	1	‘	14
Road	18	19	26	-	7	16	3
Railways	1	2	6	-	-	3	-
Bridges	1	19	10	-	7	5	4
Bldg & Hsg	30	16	33	46	46	10	21
Urban	1	15	11	13	13	25	22
Total (%)	100	100	100	100	100	100	100
Amount (‘. Mns)	64458	63062	78760	64868	50624	81173	50712
Foreign (%)	5	5	32	4	27	4	3

‘ - Negligible



Business Strength – Diversified Order-book....

Segment (%)	FY13	FY14	FY15	FY16	FY17	9MFY18
Piling	2	3	4	4	4	3
Power	20	11	12	15	25	24
Industrial	8	6	7	5	5	4
Marine	3	3	3	4	1	4
Road	20	16	12	3	9	10
Railways	2	4	3	3	3	2
Bridges	9	14	8	8	6	4
Bldg & Hsg	26	32	39	45	27	27*
Urban	10	11	12	13	20	22
Total (%)	100	100	100	100	100	100
Amount (₹. Mns)	154932	152572	161037	140693	165180	176530
Growth (%)	2	-2	6	-13	17	28
OB / Sales – times	2.6	2.7	2.8	2.5	2.9	3.3

Order book CAGR for Last 8 years – 6%

* Includes 6% Govt Contracts

* Exposure to Residential -21%



.....Business Strength – Diversified Order-book

Segment (%)	FY13	FY14	FY15	FY16	FY17	9MFY18
Govt	32	48	55	42	62	73
Private	68	52	45	58	38	27
Total(%)	100	100	100	100	100	100

Segment (%)	FY13	FY14	FY15	FY16	FY17	9MFY18
Domestic	90	94	81	84	92	95
Foreign	10	6	19	16	8	5
Total(%)	100	100	100	100	100	100



Business Strength – Strong Bid Pipeline

Segment (%)	9MFY18
Piling	3
Power	10
Industrial	27
Marine	16
Road	-
Railways	3
Bridges	5
Bldg & Hsg	26
Urban	10
Total (%)	100
Amount (‘ Crs)	19168

Segment (%)	9MFY18
Domestic	92
Foreign	8
Total(%)	100

Segment (%)	9MFY18
Govt	75
Private	25
Total(%)	100

Informal Bids with Clients ~ 2000 crs.



Simplex - Growth Drivers...

Urban Infra.	<ul style="list-style-type: none">• \$10 bn planned investment in Airport sector in next 5 Years.• Huge opportunities in MASS RAPID TRANSPORT SYSTEM in Urban cities.• Existing & New cities infrastructure upgradation & development.• Simplex present in all kinds of Urban infra construction• Share in Order book 22% and in bid pipeline 10%.
Roads & Bridges	<ul style="list-style-type: none">• Govt. special thrust and closely monitored sector.• Focus for road construction award in FY18 .• Leverage existing construction capabilities• Share in Order book 14% and in bid pipeline.5%
Power Transmission	<ul style="list-style-type: none">• Proposal to set up National Transmission & Distribution Fund to address T &D.• Focus on Transmisison lines and sub-station capacities and National smart Grid system.• Simplex poised to capitalize on the opportunity with its strength in Piling, Fabrication & Const.• Foray into EPC of Power Transmission Lines
Water & sewerage	<ul style="list-style-type: none">• JNNURM covers 63 cities with \$15 bn planned outlay in next 7 years.• Estimated Budgetary support of \$23 bn over next 5 yrs for improvement in rural water supply & sanitation.• Estimated investment of \$ 5 bn for urban infrastructure over 5 years.• Simplex major participant in the past for most towns & cities.• Current order inflow from various cities encouraging.
Railways	<ul style="list-style-type: none">• Railways rollout capacity expansion plans– 25000km of track laying in next 10 years.• Budget Outlay 148000 crs in FY19.• Eastern & Western Direct Freight corridors & High Speed Railway under priority focus.



.... Simplex - Growth Drivers

Building & housing	<ul style="list-style-type: none">• “Affordable Housing” to swing construction demand in the sector.• Rising Income & living standards to generate more demand.• Dearth of quality contractors.• Expected annual construction \$60bn.• Share in Order book 27% and in bid pipeline 26%.
Industrial	<ul style="list-style-type: none">• Growing Economy, GDP & Consumption to spur demand.• More demand for Metal, Cement, Oil & Gas in line with Infrastructure growth.• Expected annual construction \$10 bn• Share in Order book 4% and in bid pipeline 27%
Power	<ul style="list-style-type: none">• Power generation to increase by 50% by 2020. Power for all 24 X7 by 2019• By 2030, capacity needed 8,00,000 MW.• Availability of adequate and quality power for all, necessary for economic growth of 8%+• Expected annual construction \$20bn.• Share in Order book 24% and in bid pipeline 10%.
Ports	<ul style="list-style-type: none">• Vast coastline 7517 km, Improvement of existing berths & new terminals expected.• Overall capacity to double to 800 MMT in next 6 years.• Share in Order book 4% and in bid pipeline 19%.



5 Years' Financials - P & L - Standalone

(₹. In Mn)

PARTICULARS	2013-14	2014-15	2015-16 (IND AS)	2016-17 (IND AS)	31.12.17 (IND AS)
Sales	56154	56605	58553	55764	40524
EBITDA	6364	6593	6822	6887	5967
OPM %	11.3%	11.6%	11.7%	12.4%	14.7%
EBIT	4324	4561	4787	4909	4565
EBIT %	7.7%	8.1%	8.2%	8.8%	11.3%
PBT	856	939	1482	1346	1109
% of Sales	1.5%	1.7%	2.5%	2.4%	2.7%
Profit After Tax	606	624	1061	1203	876
NPM %	1.1%	1.1%	1.8%	2.2%	2.2%



5 Years' Financials – Standalone B/Sheet

('. in Mns)

Particulars	31.03.2014	31.03.2015	31.03.2016 (IND AS)	31.03.2017 (IND AS)	31.12.2017 (IND AS)
<u>Sources of Funds</u>					
Net Worth	16051	16341	14997	16367	17115
Loans	29296	32253	33991	33254	35715
Capital Employed	45347	48594	48988	49621	52830
<u>Application of Funds</u>					
Gross Block	20074	20738	28859	29384	29962
Net Fixed Assets	12169	11208	12934	11845	11138
Investments	1340	1476	1230	1338	1373
Gross Current Assets ex. cash	58550	65485	64708	70664	75505
Gross Current Liabilities	27519	29799	30117	34555	35602
Net Working Capital	31031	35683	34591	36109	39903
Cash and Bank Balance	807	227	233	329	416
Capital Employed	45347	48594	48988	49621	52830

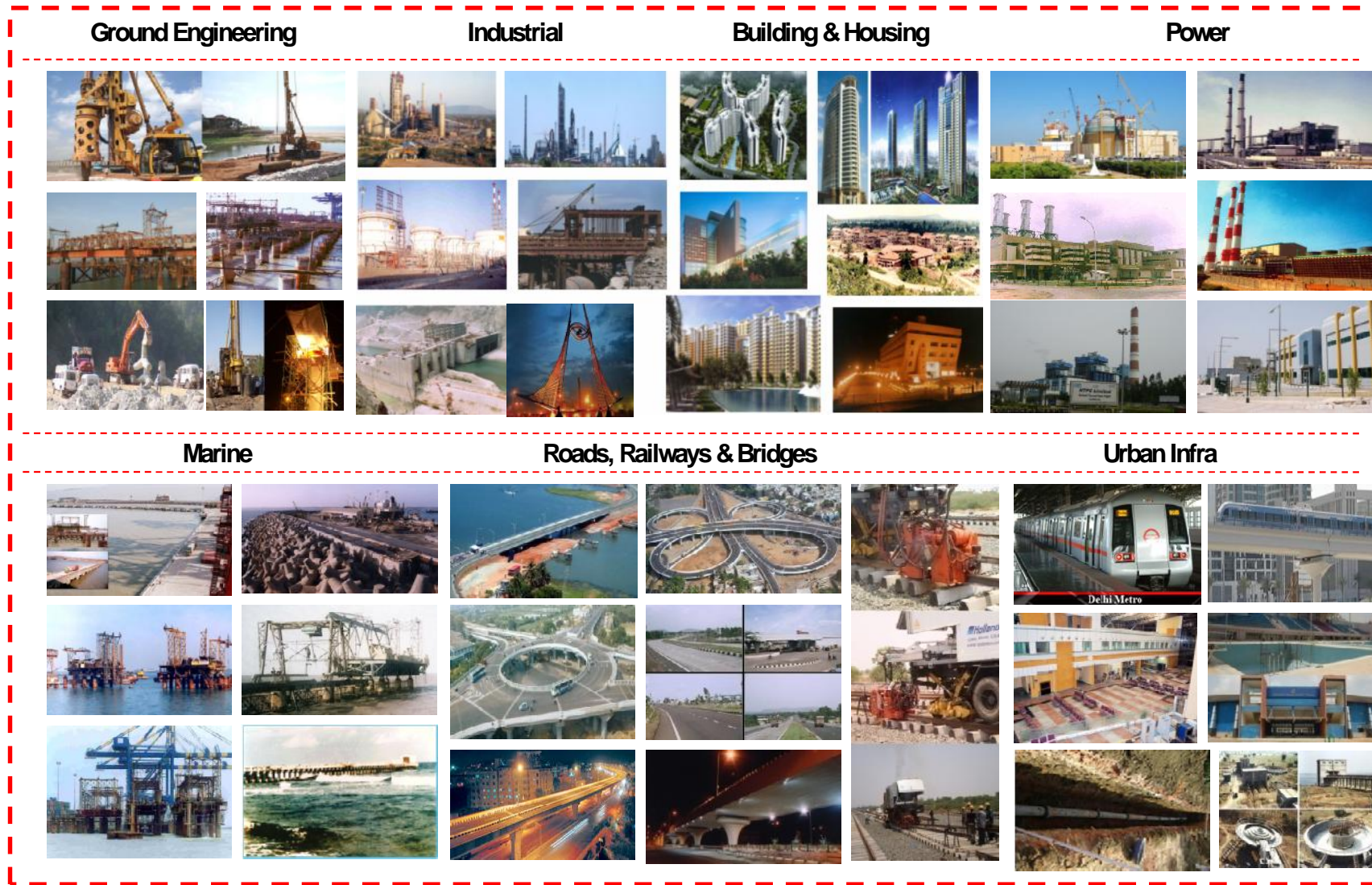


Marquee Clientele





Simplex - Key Projects





Thank You

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