



---

# CORPORATE PRESENTATION

Dec'16

**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 69 years.
- An uninterrupted profit track record since inception.
- 8% of Order Book and 16% of Revenue from Overseas for 9MFY17.
- Order Book ₹ 138236 mn as of Dec16.
- Order Inflow in 9MFY17 ₹ 38461 mn in addition to L1 status of ₹ 18180 mn.
- 9MFY17 Sales- ₹ 41496 mn . CAGR : 10 Yrs 16% and 15 Yrs 20%.
- Permanent Employees 7467 and owned Construction Equipment ₹ 23050 mn as of Dec16.



# 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

2016



# Simplex - Organisational Strength

---

- Promoters solely focussed on this business for nearly 7 decades.
- Promoters hold 56% Institutions 24%.
- Some of the key investors include Funds like HDFC, Reliance MF, Chrys Capital, SBI Bank , Birla, UTI , General Insurance etc.
- Long Employee association – Avg. 15 yrs for top & middle levels.
- Graduate Engineers 1219 , Diploma Engineers 1689, Technicians 2896, CA/MBA – 198, Graduate & Post Graduate 1269.
- Owned construction equipment ₹ 23050 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 38%.
- The largest sector in order book – Bldg & Hsg construction 39%.
- Single Client exposure average 0.88%., highest 5.2%
- Very low and selective exposure to BOT . Entire focus on EPC .
- Negligible Import intensity. But Export is 16%

## Good Quality Order Book

- Stringent Project selection and diligence process.
- Diversified order book across 222 Contracts, 9 verticals & 9 countries
- Domestic 92% , Overseas 8%.
- Shorter project duration of 3 months to 40 months, avg 2.5 years.
- Blended EBITDA margin of 11.3%.

## Superior Execution Capabilities

- Completed 2900 project across business segments and geographies.
- In-house 200+ project execution teams with ₹ 23050 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.**  
(8/8%)\*

- 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**  
(13/12%)\*

- 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**  
(38/33%)\*

- 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 ,Mantri, Godrej, Ritz Carlton Prestige, Phoenix , Hilton , ITC, IIT's , IIM's, Al-Arab contractor & Al-Tejir.



**Power**  
(14/10%)\*

- 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 9MFY17/FY16



# .... Business Strength - Segments



**Marine**  
**(4/5%)\***

- 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**  
**(4/5%)\***

- Since 1980.
- Associated with projects under GQ, NSEW
- Major orders – NHAI, Toll based DBFOT from Simplex JVs.



**Bridges & Railways**  
**(6/11%)\***

- 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**  
**(13/16%)\***

- Since 1965.
- Metros, Airports, sports & entertainment complexes, capital city infrastructures
- Water and sewerage systems.
- Metros – Mumbai ;Delhi; Kolkata; 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 9MFY17/ FY16





# Business Strength – Diversity of Sales

| Segments                  | Sales (in %) |       |       |       |       |       |
|---------------------------|--------------|-------|-------|-------|-------|-------|
|                           | FY12         | FY13  | FY14  | FY15  | FY16  | Dec16 |
| Figures in %              |              |       |       |       |       |       |
| Piling & Ground Engg.     | 7            | 6     | 6     | 6     | 8     | 8     |
| Industrial                | 11           | 10    | 12    | 16    | 12    | 13    |
| Bldg. & Hsg.              | 12           | 18    | 26    | 28    | 33    | 38    |
| Power                     | 36           | 32    | 22    | 12    | 10    | 14    |
| Marine                    | 3            | 1     | 1     | 3     | 5     | 4     |
| Roads                     | 6            | 8     | 15    | 15    | 5     | 4     |
| Railways                  | 2            | 2     | 2     | 2     | 2     | 2     |
| Bridges                   | 10           | 12    | 6     | 8     | 9     | 4     |
| Urban Utilities           | 13           | 11    | 10    | 10    | 16    | 13    |
| Total (%)                 | 100          | 100   | 100   | 100   | 100   | 100   |
| Turnover (₹. mns.)        | 60874        | 60000 | 57234 | 62739 | 60454 | 41496 |
| Growth YOY(%)             | 26%          | -1%   | -5%   | 10%   | -4%   | -7%   |
| Overseas Sales (%) of Tot | 16%          | 8%    | 12%   | 18%   | 11%   | 16%   |



## Business Strength – Robust & Diverse New orders

| Segments        | Order Inflow (in %) |       |       |       |       |       |       |
|-----------------|---------------------|-------|-------|-------|-------|-------|-------|
|                 | FY11                | FY12  | FY13  | FY14  | FY15  | FY16  | Dec16 |
| Segment (%)     |                     |       |       |       |       |       |       |
| Piling          | 8                   | 7     | 3     | 4     | 8     | 4     | 6     |
| Power           | 17                  | 39    | 15    | 3     | 12    | 17    | 17    |
| Industrial      | 9                   | 3     | 5     | 7     | 16    | 5     | 7     |
| Marine          | 3                   |       | 6     | `     | 5     | 1     | 1     |
| Road            | 18                  | 18    | 19    | 26    | -     | 7     | -     |
| Railways        | 4                   | 1     | 2     | 6     | -     | -     | 6     |
| Bridges         | 9                   | 1     | 19    | 10    | -     | 7     | 10    |
| Bldg & Hsg      | 23                  | 30    | 16    | 33    | 46    | 46    | 16    |
| Urban           | 9                   | 1     | 15    | 11    | 13    | 13    | 37    |
| Total (%)       | 100                 | 100   | 100   | 100   | 100   | 100   | 100   |
| Amount (₹. Mns) | 83823               | 64458 | 63062 | 78760 | 64868 | 50624 | 38461 |
| Foreign (%)     | 11                  | 5     | 5     | 32    | 4     | 27    | 3     |

` - Negligible



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

| Segment (%)        | FY12   | FY13   | FY14   | FY15   | FY16   | Dec'16 |
|--------------------|--------|--------|--------|--------|--------|--------|
| Piling             | 4      | 2      | 3      | 4      | 4      | 5      |
| Power              | 25     | 20     | 11     | 12     | 15     | 16     |
| Industrial         | 11     | 8      | 6      | 7      | 5      | 6      |
| Marine             | 1      | 3      | 3      | 3      | 4      | 1      |
| Road               | 15     | 20     | 16     | 12     | 3      | 1      |
| Railways           | 2      | 2      | 4      | 3      | 3      | 4      |
| Bridges            | 5      | 9      | 14     | 8      | 8      | 7      |
| Bldg & Hsg         | 29     | 26     | 32     | 39     | 45     | 39*    |
| Urban              | 8      | 10     | 11     | 12     | 13     | 21     |
| Total (%)          | 100    | 100    | 100    | 100    | 100    | 100    |
| Amount (₹. Mns)    | 152235 | 154932 | 152572 | 161037 | 140693 | 138236 |
| Growth (%)         | 4      | 2      | -2     | 6      | -13    | -7     |
| OB / Sales – times | 2.5    | 2.6    | 2.7    | 2.8    | 2.5    | 2.4    |

Order book CAGR for Last 8 years – 6%

\* Includes 8% Govt Contracts



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

---

| Segment (%) | FY12 | FY13 | FY14 | FY15 | FY16 | Dec'16 |
|-------------|------|------|------|------|------|--------|
| Govt        | 25   | 32   | 48   | 55   | 42   | 50     |
| Private     | 15   | 68   | 52   | 45   | 58   | 50     |
| Total(%)    | 100  | 100  | 100  | 100  | 100  | 100    |

| Segment (%) | FY12 | FY13 | FY14 | FY15 | FY16 | Dec'16 |
|-------------|------|------|------|------|------|--------|
| Domestic    | 87   | 90   | 94   | 81   | 84   | 92     |
| Foreign     | 13   | 10   | 6    | 19   | 16   | 8      |
| Total(%)    | 100  | 100  | 100  | 100  | 100  | 100    |



## Business Strength – Strong Bid Pipeline

| Segment (%)    | Q3FY17 |
|----------------|--------|
| Piling         | 6      |
| Power          | 22     |
| Industrial     | 20     |
| Marine         | 4      |
| Road           | 5      |
| Railways       | 5      |
| Bridges        | 5      |
| Bldg & Hsg     | 22     |
| Urban          | 11     |
| Total (%)      | 100    |
| Amount (₹ Crs) | 23564  |

| Segment (%) | Q3FY17 |
|-------------|--------|
| Domestic    | 64     |
| Foreign     | 36     |
| Total(%)    | 100    |

| Segment (%) | Q3FY17 |
|-------------|--------|
| Govt        | 68     |
| Private     | 32     |
| Total(%)    | 100    |

Informal Bids with Clients ~ 2000 crs.



# Simplex - Growth Drivers...

|                             |   |
|-----------------------------|---|
| <b>Urban Infra.</b>         | <ul style="list-style-type: none"><li>• \$10 bn planned investment in Airport sector in next 5 Years.</li><li>• Huge opportunities in MASS RAPID TRANSPORT SYSTEM in Urban cities.</li><li>• Existing &amp; New cities infrastructure upgradation &amp; development.</li><li>• Simplex present in all kinds of Urban infra construction</li><li>• Share in Order book 21% and in bid pipeline 11%.</li></ul>  |
| <b>Roads &amp; Bridges</b>  | <ul style="list-style-type: none"><li>• Govt. special thrust and closely monitored sector.</li><li>• Focus for road construction award in FY17 – 8500 Km of Award and 6300 km of Completion.</li><li>• Leverage existing construction capabilities</li><li>• Share in Order book 8% and in bid pipeline.10%</li></ul>   |
| <b>Power Transmission</b>   | <ul style="list-style-type: none"><li>• Proposal to set up National Transmission &amp; Distribution Fund to address T &amp;D.</li><li>• Focus on Transmisison lines and sub-station capacities and National smart Grid system.</li><li>• Simplex poised to capitalize on the opportunity with its strength in Piling, Fabrication &amp; Const.</li><li>• Foray into EPC of Power Transmission Lines</li></ul>   |
| <b>Water &amp; sewerage</b> | <ul style="list-style-type: none"><li>• JNNURM covers 63 cities with \$15 bn planned outlay in next 7 years.</li><li>• Estimated Budgetary support of \$23 bn over next 5 yrs for improvement in rural water supply &amp; sanitation.</li><li>• Estimated investment of \$ 5 bn for urban infrastructure over 5 years.</li><li>• Simplex major participant in the past for most towns &amp; cities.</li><li>• Current order inflow from various cities encouraging.</li></ul> |
| <b>Railways</b>             | <ul style="list-style-type: none"><li>• Railways rollout capacity expansion plans– 25000km of track laying in next 10 years.</li><li>• Budget Outlay 126000 crs in FY17 – 90 new projects covering 8500 km of expansion.</li><li>• Eastern &amp; Western Direct Freight corridors &amp; High Speed Railway under priority focus.</li></ul>  |



# .... Simplex - Growth Drivers

|                               |   |
|-------------------------------|---|
| <b>Building &amp; housing</b> | <ul style="list-style-type: none"><li>• “Affordable Housing” to swing construction demand in the sector.</li><li>• Rising Income &amp; living standards to generate more demand.</li><li>• Dearth of quality contractors.</li><li>• Expected annual construction \$60bn.</li><li>• Share in Order book 39% and in bid pipeline 22%.</li></ul>   |
| <b>Industrial</b>             | <ul style="list-style-type: none"><li>• Growing Economy, GDP &amp; Consumption to spur demand.</li><li>• More demand for Metal, Cement, Oil &amp; Gas in line with Infrastructure growth.</li><li>• Expected annual construction \$10 bn</li><li>• Share in Order book 7% and in bid pipeline 20%</li></ul>   |
| <b>Power</b>                  | <ul style="list-style-type: none"><li>• Power generation to increase by 50% by 2020. Power for all 24 X7 by 2019</li><li>• By 2030, capacity needed 8,00,000 MW.</li><li>• Availability of adequate and quality power for all, necessary for economic growth of 8%+</li><li>• Expected annual construction \$20bn.</li><li>• Share in Order book 16% and in bid pipeline 22%.</li></ul> |
| <b>Ports</b>                  | <ul style="list-style-type: none"><li>• Vast coastline 7517 km, Improvement of existing berths &amp; new terminals expected.</li><li>• Overall capacity to double to 800 MMT in next 6 years.</li><li>• Share in Order book 1% and in bid pipeline 4%.</li></ul>  |



# 5 Years' Financials - P & L - Standalone

(₹. In Mn)

| PARTICULARS      | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 31.12.16<br>(IND AS) |
|------------------|---------|---------|---------|---------|----------------------|
| Sales            | 59214   | 56154   | 56605   | 59452   | 41496                |
| EBITDA           | 5874    | 6364    | 6593    | 6315    | 4835                 |
| OPM %            | 9.9%    | 11.3%   | 11.6%   | 10.6%   | 11.7%                |
| EBIT             | 3803    | 4324    | 4561    | 4287    | 3345                 |
| EBIT %           | 6.4%    | 7.7%    | 8.1%    | 7.2%    | 8.1%                 |
| PBT              | 902     | 856     | 939     | 964     | 854                  |
| % of Sales       | 1.5%    | 1.5%    | 1.7%    | 1.6%    | 2.1%                 |
| Profit After Tax | 601     | 606     | 624     | 663     | 534                  |
| NPM %            | 1.0%    | 1.1%    | 1.1%    | 1.1%    | 1.3%                 |





# 5 Years' Financials – Standalone B/Sheet

(₹. in Mns)

| Particulars                        | 31.03.2013 | 31.03.2014 | 31.03.2015 | 31.03.2016 | 31.12.2016<br>(IND AS) |
|------------------------------------|------------|------------|------------|------------|------------------------|
| <b><u>Sources of Funds</u></b>     |            |            |            |            |                        |
| Net Worth                          | 14894      | 16051      | 16341      | 17034      | 16596                  |
| Loans                              | 26784      | 29296      | 32253      | 32637      | 33718                  |
| Capital Employed                   | 41678      | 45347      | 48594      | 49671      | 50314                  |
| <b><u>Application of Funds</u></b> |            |            |            |            |                        |
| Gross Block                        | 18809      | 20074      | 20738      | 22551      | 23050                  |
| Net Fixed Assets                   | 12394      | 12169      | 11208      | 11673      | 12079                  |
| Investments                        | 1269       | 1340       | 1476       | 1526       | 1337                   |
| Gross Current Assets ex. cash      | 56358      | 58550      | 65482      | 67139      | 67505                  |
| Gross Current Liabilities          | 29065      | 27519      | 29799      | 30809      | 30858                  |
| Net Working Capital                | 27293      | 31031      | 35683      | 36330      | 36647                  |
| Cash and Bank Balance              | 720        | 807        | 227        | 142        | 251                    |
| Capital Employed                   | 41678      | 45347      | 48594      | 49671      | 50314                  |



# Marquee Clientele





# Simplex - Key Projects

Ground Engineering



Industrial



Building & Housing



Power



Marine



Roads, Railways & Bridges



Urban Infra







---

# Thank You

Website: [www.simplexinfra.com](http://www.simplexinfra.com)

Contact: Mr. Naresh Rathi- Email: [naresh.rathi@simplexinfra.com](mailto:naresh.rathi@simplexinfra.com), Mobile: +91 9836588088

Scrip Codes: NSE – SIMPLEXINF, BSE – 523838, Reuters – SMCP.BO, Bloomberg - SINFIN