



CORPORATE PRESENTATION

Dec, 2013

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.

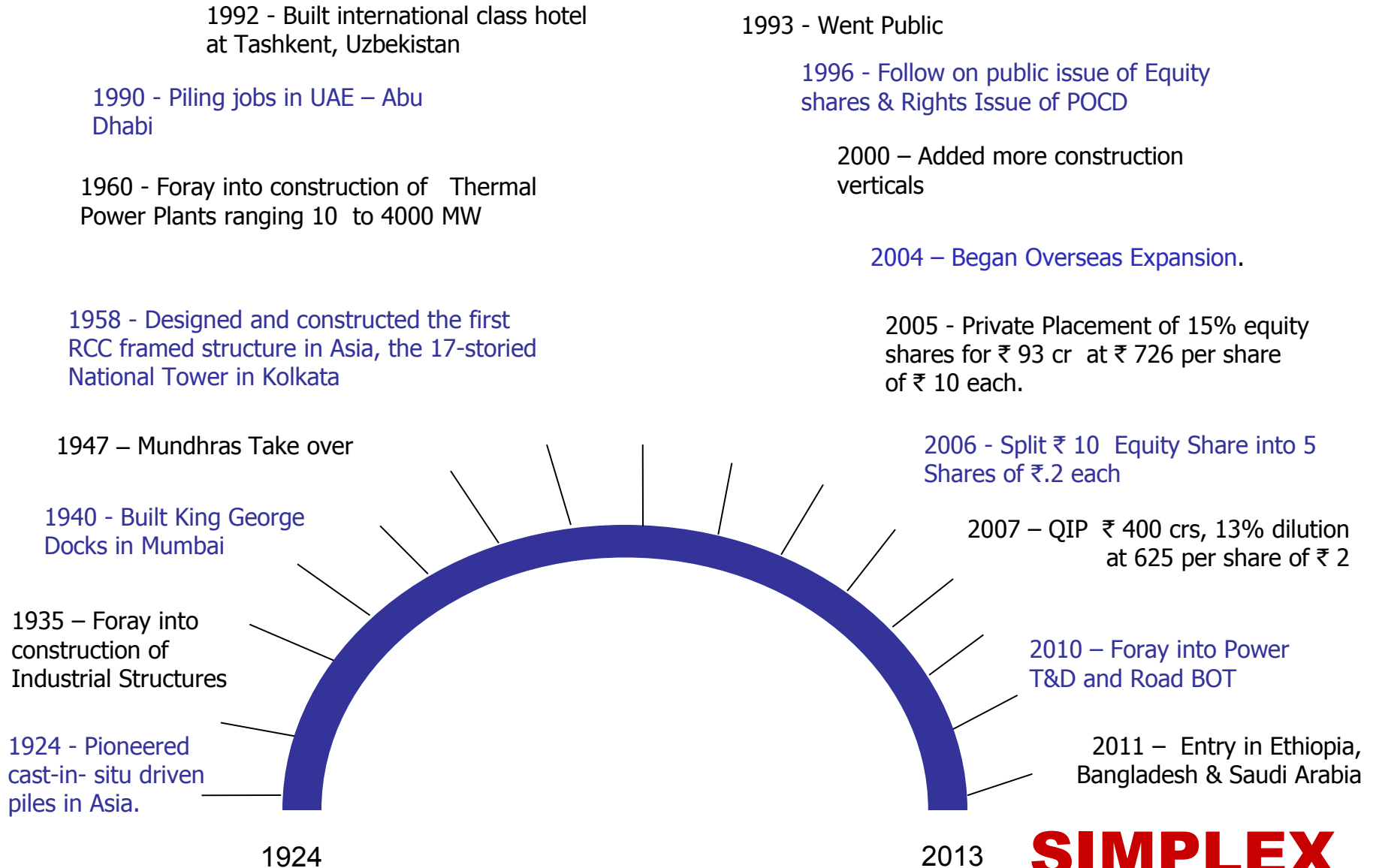


Simplex Background

- Established in 1924 and executed over 2600 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 18% CAGR over 66 years.
- An uninterrupted profit track record since inception.
- 17% of Order Book and 15% of Revenue from Overseas for 9MFY14.
- Order Book ₹ 167083 mn as of Dec'13, 5 year CAGR 12%.
- Order Inflow in 9MFY14 ₹ 69123 mn in addition to L1 status of ₹ 9400 mn.
- 9MFY14 Sales- ₹ 41523 mn. CAGR : 5 Yrs 16% and 10 Yrs 27%.
- Permanent Employees 7802 and owned Construction Equipment ₹ 19583 mn as of Dec'13.



Milestones





Simplex - Organisational Strength

- Promoters focussed solely on this business for nearly 7 decades.
- Promoters hold 56% and FII's & MFs holds 30%.
- Some of the key investors include Funds like HDFC, Chrys Capital, SBI Bank & MF, Birla, UTI ,Tata, Templeton, GE, HSBC , General Insurance etc.
- Long Employee association – Avg. 15 yrs for top & middle levels.
- Graduate Engineers 1014 , Diploma Engineers 1643 , Technicians 3171, CA/MBA – 212, Graduate & Post Graduate 1254.
- Owned construction equipment ₹ 19583 mn, Accessories ₹1814 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 24 %.
- The largest sector in order book – Bldg & Hsg construction 29%.
- Single Client exposure average 0.46%., highest 12.0%
- Very low and selective exposure to BOT . Entire focus on EPC .
- Negligible Import intensity. Export 15%

Good Quality Order Book

- Stringent Project selection and diligence process.
- Diversified order book across 235 Contracts, 9 verticals & 9 countries
- Domestic 83% , Overseas 17%.
- Shorter project duration of 3 months to 40 months, avg 2.5 years.
- Blended EBITDA margin of 10.6%

Superior Execution Capabilities

- Completed 2600 project across business segments and geographies.
- In-house over 200 project execution teams with ₹ 19583 mns owned construction equipments.
- Robust planning and management systems for projects, plants and human resources.
- In house developed ERP for realtime major project management.
- Training of labour, supervisors, artisans, construction engineers and others.

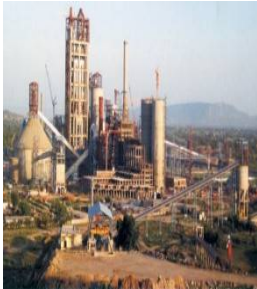


Business Strength – Segments...



Ground Engg. (6/6%)*

- 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.



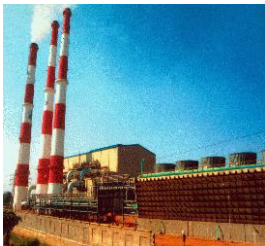
Industrial (11/10%)*

- 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 Refinery – 3 Expansion.



Building & Housing (24/18%)*

- 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, HDIL ,Keppel, Unitech, Tata Housing , Mantri, Salarpuria, Hiranandani, Godrej, Ritz Carlton , Prestige, Hilton , ITC, Al-Arab contractor & Al-Tejir.



Power (24/32%)*

- 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, Abhijeet, Bharat Forge, Sintex.

* Figures in bracket are per cent of revenue for 9MFY14/FY13



.... Business Strength - Segments



Marine
(1/1%)*

- 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
(10/8%)*

- Since 1980.
- Associated with projects under GQ, NSEW
- Major orders – NHAI, Toll based DBFOT from Simplex JVs.
- Awarded prestigious Batinah Expressway Package 3 in Oman.



Bridges &
Railways
(15/14%)*

- Since 1982.
- Built the largest 12km flyover – PVNR Expressway Hyderabad.
- 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
(9/11%)*

- 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.

* Figures in bracket are per cent of revenue for 9MFY14/ FY13



Business Strength – Diversity of Sales

Segments	Sales (in %)					
Figures in %	FY09	FY10	FY11	FY12	FY13	9MFY14
Piling & Ground Engg.	16	9	9	7	6	6
Industrial	24	20	14	11	10	11
Bldg. & Hsg.	12	11	9	12	18	24
Power	12	23	30	36	32	24
Marine	8	9	5	3	1	1
Roads	3	2	5	6	8	10
Railways	2	1	2	2	2	3
Bridges	11	15	12	10	12	12
Urban Utilities	12	10	14	13	11	9
Total (%)	100	100	100	100	100	100
Turnover (₹. mns.)	46961	45525	48753	60868	59999	41523
Growth YOY(%)	68%	-4%	7%	25%	-1%	-6%
Overseas Sales (%) of Tot	29%	26%	13%	10%	15%	15%



Business Strength – Robust & Diverse New orders

Segments	Order Inflow (in %)						
Segment (%)	FY08	FY09	FY10	FY11	FY12	FY13	Dec'13
Piling	9	4	5	8	7	3	5
Power	18	38	38	17	39	15	4
Industrial	19	22	22	9	3	5	8
Marine	6	1	1	3		6	
Road				18	18	19	29
Railways				4	1	2	7
Bridges	14	4	3	9	1	19	6
Bldg & Hsg	21	25	25	23	30	16	31
Urban	13	6	6	9	1	15	10
Total (%)	100	100	100	100	100	100	100
Amount (₹. Mns)	66964	56595	59842	83823	64458	63062	69123
Foreign (%)	28	35	24	11	5	5	32

` - Negligible



Business Strength – Diversified Order-book....

Segment (%)	FY09	FY10	FY11	FY12	FY13	Dec'13
Piling	4	3	4	4	2	3
Power	20	27	22	25	20	11
Industrial	19	19	16	11	8	6
Marine	6	3	2	1	3	3
Road	2	2	10	15	20	22
Railways	1	1	2	2	2	4
Bridges	15	9	9	5	9	11
Bldg & Hsg	15	21	22	29	26	29
Urban	18	15	13	8	10	11
Total (%)	100	100	100	100	100	100
Amount (₹. Mns)	100593	114912	147074	152235	154932	167083
Growth (%)	12	14	28	4	2	11
OB / Sales – times	2.2	2.6	3.1	2.5	2.6	2.9

Order book CAGR for Last 5 years – 12%



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

Segment (%)	FY09	FY10	FY11	FY12	FY13	Dec 13
Govt	50	37	30	25	32	46
PPP	17	8	12	14	18	9
Private	33	55	58	61	50	45
Total(%)	100	100	100	100	100	100

Segment (%)	FY09	FY10	FY11	FY12	FY13	Dec 13
Domestic	74	78	87	90	94	83
Foreign	26	22	13	10	6	17
Total(%)	100	100	100	100	100	100



Business Strength – Strong Bid Pipeline

Segment (%)	Dec'13
Piling	2
Power	25
Industrial	20
Marine	4
Road	2
Railways	7
Bridges	13
Bldg & Hsg	18
Urban	9
Total (%)	100
Amount (₹ Crs)	25047

Segment (%)	Dec'13
Domestic	68
Foreign	32
Total(%)	100

Segment (%)	Dec'13
Govt	28
PPP	-
Private	72
Total(%)	100



Simplex - Growth Drivers...

Power

- 12th Plan Planned Capacity addition 90000 MW on existing 2.23,000 MW.
- Next year target 28,000MW, 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 11% and in bid pipeline 25%.

Industrial

- 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 6% and in bid pipeline 20%

Building & housing

- “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 29% and in bid pipeline 18%.

Roads & Bridges

- Govt. focus and target 20km per day construction.
- Special focus for road construction award in FY14.
- Leverage existing construction capabilities
- Share in Order book 33% and in bid pipeline 15%

Urban Infra.

- \$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 11% and in bid pipeline 9%.



.... Simplex - Growth Drivers

Ports

- Vast coastline 7517 km, Improvement of existing berths & new terminals expected.
- Planning Commission estimate investment \$ 7 bn in FY14
- Overall capacity to double to 800 MMT in next 6 years.
- Share in Order book 3% and in bid pipeline 4%.

Power Transmission

- Proposal to set up National Transmission & Distribution Fund to address T &D.
- More capacity addition needed to cater higher generation of 80,000 MW.
- Simplex poised to capitalize on the opportunity with its strength in Piling, Fabrication & Construction.
- Foray into EPC of Power Transmission Lines

Water & sewerage

- 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

- Railways rollout capacity expansion plans– 25000km of track laying in next 10 years.
- Planned investment during 2012-17 \$ 85 bn.
- Eastern & Western Direct Freight corridors & High Speed Railway under priority focus.



5 Years' Financials - P & L

(₹. In Mn)

PARTICULARS	2009-10	2010-11	2011-12	2012-13	9MFY14
Sales	45525	48753	60868	59999	41523
EBITDA	4700	5148	5544	5854	4694
OPM %	10.3%	10.6%	9.1%	9.8%	11.3%
EBIT	3128	3479	3586	3793	3173
EBIT %	6.9%	7.1%	5.9%	6.3%	7.6%
PBT	2006	2003	1273	829	640
% of Sales	4.4%	4.1%	2.1%	1.4%	1.5%
Profit After Tax	1271	1246	836	533	392
NPM %	2.8%	2.6%	1.4%	0.9%	0.9%



5 Years' Financials – Balance Sheet

(₹. in Mns)

Particulars	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.12.2013
<u>Sources of Funds</u>					
Net Worth	10715	12323	13960	14894	16130
Loans	13024	16607	21318	26784	28772
Capital Employed	23739	28930	35278	41678	44902
<u>Application of Funds</u>					
Gross Block	12958	15361	18126	18809	19583
Net Fixed Assets	10069	11520	13059	12394	11932
Investments	28	231	783	1269	1346
*Gross Current Assets ex. cash	30146	36592	48050	56358	59926
Gross Current Liabilities	17603	20477	27042	29065	28700
Net Working Capital	12543	16115	21008	27293	31226
Cash and Bank Balance	1099	1064	428	720	398
Capital Employed	23739	28930	35278	41678	44902
* Includes Tools	2220	2130	2034	1960	1814



Marquee Clientele



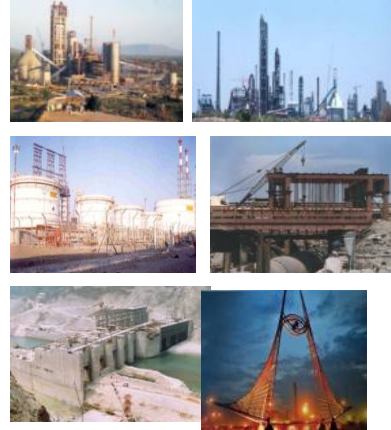


Simplex - Key Projects

Ground Engineering



Industrial



Building & Housing



Power



Marine



Roads, Railways & Bridges



Urban Infra





Thank You

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