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# CORPORATE PRESENTATION

## Sept'19 Results ( Standalone)

**Simple** solutions for **complex** structures



# Disclaimer

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**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

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- Established in 1924 and executed over 3000 projects.
- Presence pan-India and Overseas with 200+ ongoing projects.
- Presence across all Construction Verticals—Piling & 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; Urban Sewerage ; water supply and Utilities.
- Repeat orders from reputed & large clientele.
- Mundhras took over in 1947 and grew it 16% CAGR over 72 years.
- An uninterrupted profit track record since inception.
- 2% of Order Book and 3% of Revenue from Overseas for H1FY20.
- Order Book ₹ 153023 mn as of H1FY20.
- Order Inflow in H1FY20 ₹ 18768 mn .
- H1FY20 Sales- ₹ 24842 mn . CAGR : 15 Yrs 16%.
- Permanent Employees 5829 and owned Construction Equipment ₹ 30404 mn as of Sept'19.



# Milestones

**1992 - Built international class hotel at Tashkent, Uzbekistan**

**1990 - Piling jobs in UAE – Abu Dhabi**

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

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

**1947 – Mundhras Take over**

**1940 - Built King George Docks in Mumbai**

**1935 – Foray into construction of Industrial Structures**

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

1924

**1993 - Went Public**

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

**2000 – Added more construction verticals**

**2004 – Overseas Expansion in the M.E.**

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

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

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

**2010 – Foray into Power T&D and Road BOT**

**2011 – Widened International Territories beyond the Middle East**

**2018 – QIP ₹ 402 crs**

2018

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# Simplex - Organisational Strength

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- Promoters solely focussed on this business for nearly 7 decades.
- Promoters hold 50%. Institutions 29%.
- Some of the key investors include Funds like HDFC MF, Reliance MF, SBI Bank , Kotak funds , HSBC Global etc.
- Long Employee association – Avg. 15 yrs for top & middle levels.
- Graduate Engineers 1026 , Diploma Engineers 1219, Technicians 2307, CA/MBA – 160, Graduate & Post Graduate 1117.
- Owned construction equipment ₹ 30404 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 – Power 28%.
- The largest sector in order book – Bldg & Hsg 29%.
- Single Client exposure average 0.56%., highest 6.7%
- Entire focus on EPC .
- Negligible Import intensity. But Export is 3%

## Good Quality Order Book

- Stringent Project selection and diligence process.
- Diversified order book across 205 Contracts, 9 verticals & 6 countries
- Domestic 98% , Overseas 2%.
- Shorter Execution duration of 3 months to 40 months, avg 2.5 years.
- Pan India presence across 22 States.
- Blended EBITDA margin of ~12%.

## Superior Execution Capabilities

- Completed 3000 project across business segments and geographies.
- In-house 200+ project execution teams with ₹ 30404 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.

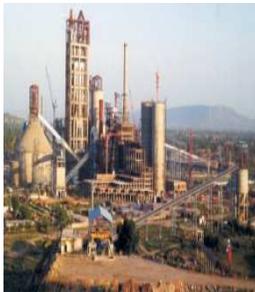


# Business Strength – Segments...



**Ground Engg.**  
**(5/8%)\***

- 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**  
**(3/6%)\***

- 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**  
**(18/28%)\***

- 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**  
**(28/22%)\***

- Since 1960. Worked on thermal power plants – coal, gas, oil-based (10 MW to 4000 MW ), nuclear power plants, hydel plants and Power T&D.
- 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, Powergrid and SEB's.

\* Figures in bracket are per cent of revenue for H1FY20/FY19



# .... Business Strength - Segments



**Marine**  
**(3/4%)\***

- 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**  
**(8/6%)\***

- Since 1980.
- Associated with projects under GQ, NSEW
- Major orders – NHAI & NHIDCL.



**Bridges & Railways**  
**(15/5%)\***

- 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**  
**(20/21%)\***

- 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 H1FY20/ FY19



# Business Strength – Diversity of Sales

Segments	Sales (in %)					
	FY15	FY16	FY17	FY18	FY19	H1FY20
Figures in %						
Piling & Ground Engg.	6	8	12	6	8	5
Industrial	16	12	13	11	6	3
Bldg. & Hsg.	28	33	38	34	28***	18***
Power	12	10	10	22	22*	28*
Marine	3	5	4	1	4	3
Roads	15	5	4	4	6	8
Railways	2	2	4	2	2	2
Bridges	8	9	3	4	3	13
Urban Utilities	10	16	13	16	21**	20**
Total (%)	100	100	100	100	100	100
Turnover (₹. mns.)	56605	58553	55741	57669	60415	24842
Growth YOY(%)	1%	7%	-5%	2%	5%	-19%
Overseas Sales (%) of Tot	18%	9%	14%	9%	6%	3%

\* Power includes 15.9% Thermal 9.3% Transmission

• \* Urban Includes 13.7% Metros and 5.2% Water Systems.

• \*\*\* Bldg includes 9.8% residential and 8.4% institutional Bldgs.

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## Business Strength – Robust & Diverse New orders

Segments	Order Inflow (in %)						
	FY14	FY15	FY16	FY17	FY18	FY19	H1FY20
Segment (%)							
Piling	4	8	4	3	5	11	3
Power	3	12	17	32	19	35*	0*
Industrial	7	16	5	6	3	3	5
Marine	`	5	1	`	9	-	-
Road	26	-	7	16	15	-	-
Railways	6	-	-	3	-	-	-
Bridges	10	-	7	5	3	-	-
Bldg & Hsg	33	46	46	10	18	34**	69**
Urban	11	13	13	25	28	17	23
Total (%)	100	100	100	100	100	100	100
Amount (₹. Mns)	78760	64868	50624	81173	76662	31938	18768
Foreign (%)	32	4	27	4	2	2	0.7

• \*\*

- Bldg includes 21% Residential Bldgs & 48% Institutional 10



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

Segment (%)	FY15	FY16	FY17	FY18	FY19	H1FY20
Piling	4	4	4	2	3	2
Power	12	15	25	21	24*	20*
Industrial	7	5	5	3	2	2
Marine	3	4	1	4	3	3
Road	12	3	9	15	16	16
Railways	3	3	3	1	2	1
Bridges	8	8	6	4	3	2
Bldg & Hsg	39	45	27	25	22***	29***
Urban	12	13	20	25	25**	25**
Total (%)	100	100	100	100	100	100
Amount (₹. Mns)	161037	140693	165180	186225	16020	153023
Growth (%)	6	-13	17	13	-14	-9
OB / Sales – times	2.8	2.5	2.9	3.3	2.7	3.08

\* Power includes 12.6% Thermal & 5.2% Transmission

• \* Urban Includes 14.1% Metros and 10.8% Water Systems.

• \*\*\* Bldg includes 16.2% residential and 12.8% institutional Bldgs.



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

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Segment (%)	FY15	FY16	FY17	FY18	FY19	H1FY20
Govt	55	42	62	76	82	83
Private	45	58	38	24	18	17
Total(%)	100	100	100	100	100	100

Segment (%)	FY15	FY16	FY17	FY18	FY19	H1FY20
Domestic	81	84	92	97	98	98
Foreign	19	16	8	3	2	2
Total(%)	100	100	100	100	100	100



## Business Strength – Strong Bid Pipeline

Segment (%)	H1FY20
Piling	3
Power	25
Industrial	12
Marine	-
Road	-
Railways	35
Bridges	-
Bldg & Hsg	11
Urban	14
Total (%)	100
Amount (₹ Crs)	19666

Segment (%)	H1FY20
Domestic	100
Foreign	0
Total(%)	100

Segment (%)	H1FY20
Govt	87
Private	13
Total(%)	100



# 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 25% and in bid pipeline 14%.</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 FY19 .</li><li>• Leverage existing construction capabilities</li><li>• Share in Order book 18%</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 64587 crs in FY20.</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 29% and in bid pipeline 11%.</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 2% and in bid pipeline 12%</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 20% and in bid pipeline 25%.</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 3%</li></ul>



# 5 Years' Financials - P & L - Standalone

(₹. In Mn)

PARTICULARS	2015-16 (IND AS)	2016-17 (IND AS)	2017-18 (IND AS)	2018-19 (IND AS)	30.09.19 (IND AS)
Sales	58553	55741	57669	60415	24842
EBITDA	6822	7777	7859	8222	3638
OPM %	11.7%	13.9%	13.6%	13.6%	14.6%
EBIT	4787	5798	6025	6545	2935
EBIT %	8.2%	10.4%	10.4%	10.8%	11.8%
PBT	1482	1346	1509	1837	492
% of Sales	2.5%	2.4%	2.6%	3.0%	2.0%
Profit After Tax	1061	1203	1170	1226	284
NPM %	1.8%	2.2%	2.0%	2.0%	1.1%



# 5 Years' Financials – Standalone B/Sheet

(₹. in Mns)

Particulars	31.03.2016 ( IND AS)	31.03.2017 ( IND AS)	31.03.2018 ( IND AS)	31.03.19 ( IND AS)	30.09.19 ( IND AS)
<b><u>Sources of Funds</u></b>					
Net Worth	14997	16367	17553	21078	21511
Loans ( Net of Cash)	33758	32925	35069	35405	35469
Capital Employed	48755	49292	52622	56483	56980
<b><u>Application of Funds</u></b>					
Gross Block	28859	29384	30323	30713	30404
Net Fixed Assets	12934	11845	11076	10260	9466
Investments	1230	1338	1341	1300	1158
Gross Current Assets ex. cash	64708	70664	78678	82592	85074
Gross Current Liabilities	30117	34555	38473	37669	38718
Net Working Capital	34591	36109	40205	44923	46356
Capital Employed	48755	49292	52622	56484	56980

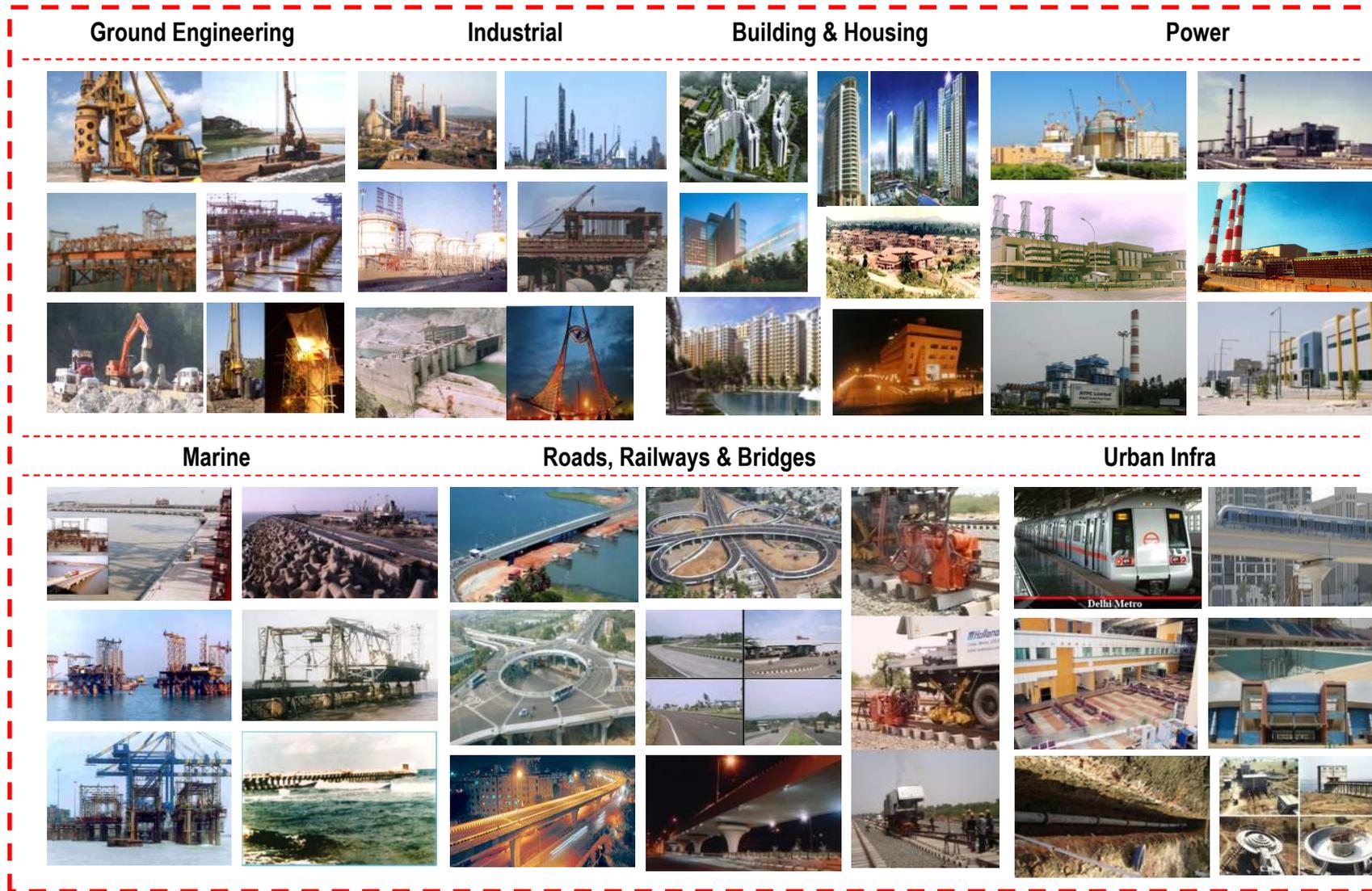


# Marquee Clientele





# Simplex - Key Projects





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# Thank You

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