



**KEC INTERNATIONAL LTD.**  
RPG House  
463, Dr. Annie Besant Road  
Worli, Mumbai 400030, India  
+91 22 66670200  
kecindia@kecrpg.com  
www.kecrpg.com

August 03, 2022

**National Stock Exchange of India Limited**

Exchange Plaza  
Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001

**Symbol: KEC**

**Scrip Code: 532714**

Dear Sir/Madam,

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Subject: Press Release and Investor Presentation – Financial Results**

Please find enclosed herewith a copy of the Press Release and Investor Presentation on the Unaudited Financial Results of the Company for the quarter ended on June 30, 2022.

The above is for your information and records.

Thanking you,

Yours sincerely,

**For KEC International Limited**

**Amit Kumar Gupta**

**Company Secretary & Compliance Officer**

Encl: as above



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## FINANCIAL PERFORMANCE FOR QUARTER ENDED 30 JUNE 2022

### **KEC delivers Robust Revenue growth of 31% YoY**

### **Highest Ever Order Book + L1 of over Rs. 30,000 crore**

**Mumbai, August 03, 2022:** KEC International Ltd., a global infrastructure EPC major and an RPG Group Company, today announced its results for the first quarter (Q1 FY23) ended June 30, 2022.

#### Q1 FY23 v/s Q1 FY22:

<u>Consolidated Financial Performance</u>	<u>Standalone Financial Performance</u>
<b>Revenue:</b> Rs. 3,318 crore against Rs. 2,540 crore	<b>Revenue:</b> Rs. 2,849 crore against Rs. 2,338 crore
<b>EBITDA:</b> Rs. 168 crore against Rs. 160 crore	<b>EBITDA:</b> Rs. 234 crore against Rs. 225 crore
<b>EBITDA Margin:</b> 5.1% against 6.3%	<b>EBITDA Margin:</b> 8.2% against 9.6%
<b>Interest as % to Revenue:</b> 3.0% against 2.6%	<b>Interest as % to Revenue:</b> 2.6% against 2.5%
<b>PBT:</b> Rs. 37 crore against Rs. 59 crore	<b>PBT:</b> Rs. 136 crore against Rs. 141 crore
<b>PBT Margin:</b> 1.1% against 2.3%	<b>PBT Margin:</b> 4.8% against 6.0%
<b>PAT:</b> Rs. 31 crore against Rs. 46 crore	<b>PAT:</b> Rs. 100 crore against Rs. 104 crore
<b>PAT Margin:</b> 0.9% against 1.8%	<b>PAT Margin:</b> 3.5% against 4.4%

#### Order Intake and Order Book:

**Order Intake:** YTD Order intake of Rs. 3,472 crore

**Order Book:** Order Book as on 30 June 2022 of Rs. 23,720 crore, a strong growth of 16% YoY; L1 of over Rs. 8,000 crore.

**Mr. Vimal Kejriwal, MD & CEO, KEC International Ltd. commented,** *“We are pleased with our healthy revenue growth and order intake, despite significant challenges. The growth has been delivered by good performances in most of our businesses such as T&D, Civil, Railways, Oil & Gas and Cables. The consolidated margins have been impacted primarily due to the elevated commodity prices & logistics costs and SAE Brazil performance. With the new orders announced last week, our order book along with current L1 pipeline stands at a record level of over Rs. 30,000 crore. Our robust and well diversified order book gives us confidence of delivering a continued good growth in the coming quarters.”*



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### **About KEC International Limited**

KEC International is a global infrastructure Engineering, Procurement and Construction (EPC) major. It has presence in the verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipelines, and Cables. The Company is currently executing infrastructure projects in 30+ countries and has a footprint in 110+ countries (includes EPC, Supply of Towers and Cables). It is the flagship Company of the RPG Group.

### **About RPG Enterprises**

RPG Enterprises, established in 1979, is one of India's fastest growing business groups with a turnover of US\$ 4 Billion. The group has diverse business interests in the areas of Infrastructure, Tyres, Pharma, IT and Specialty as well as in emerging innovation led technology businesses.

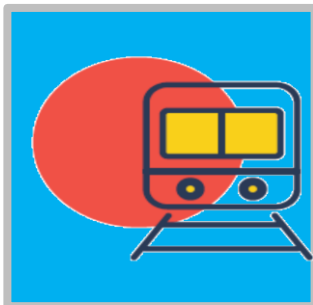
# KEC International Limited

## Investor Presentation – Q1 FY23

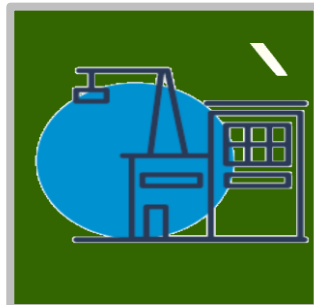
03 August 2022



Power T & D



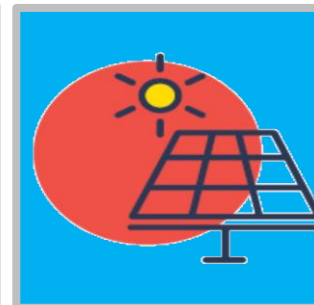
Railways



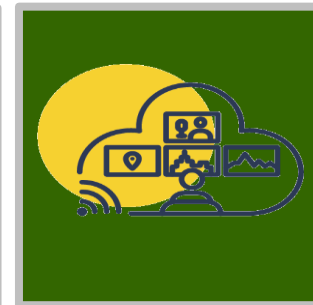
Civil



Cables



Solar



Smart Infra



Oil & Gas Pipelines

## Disclaimer

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events and involves known and unknown risks, uncertainties and other factors. The Company cannot guarantee that these assumptions and expectations are accurate or exhaustive or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. No obligation is assumed by the Company to update the forward-looking statements contained herein.

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**Overview –  
RPG Group &  
KEC International**

***400kV Transmission line project in UAE***

## RPG Group: Powered by Passion, Driven by Ethics

UNLEASHTALENT  
TOUCHLIVES  
OUTPERFORM  
AND 😊

RPG Enterprises was founded in 1979. The group currently operates various businesses in Infrastructure, Technology, Life Sciences, Plantations and Tyre industries. The group has business history dating back to 1820 AD in banking, textiles, jute and tea. The Group grew in size and strength with several acquisitions in the 1980s and 1990s. CEAT became a part of the RPG Group in 1982, which is now one of India's fastest growing conglomerates with 30,000+ employees, presence in 100+ countries and annual gross revenues of ~USD 4 Bn



EPC major in infrastructure segments like T&D, Railways, Civil, Oil & Gas Pipelines, Solar, Smart Infra & Cables



One of India's leading tyre manufacturers



Global technology consulting and IT services company



Integrated pharma company in formulations and synthetic APIs



Technology solutions company catering to energy and infrastructure



HARRISONS MALAYALAM LIMITED

One of India's largest plantation companies producing tea, rubber, etc.



# KEC International : Building Infrastructure for the World of Tomorrow

Transmission & Distribution

Railways

Civil

Cables

Solar

Smart Infra

Oil & Gas Pipelines



**7+**

DECADES  
OF EXPERIENCE  
& EXPERTISE



FOOTPRINT IN  
**110+**  
COUNTRIES



**290+**  
ONGOING  
PROJECTS



**\$1.8**  
BILLION  
GLOBAL EPC  
MAJOR



**8**  
MANUFACTURING  
FACILITIES



**9000+**  
EMPLOYEES



**35+**  
NATIONALITIES



## Board of Directors



**H. V. Goenka**

Chairman, Non Executive Director



**Vimal Kejriwal**  
Managing Director  
& CEO



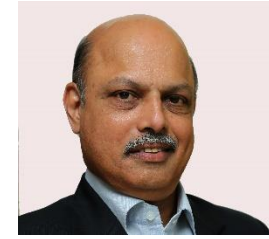
**A. T. Vaswani**  
Non Executive  
Independent Director



**D. G. Piramal**  
Non Executive  
Independent Director



**G. L. Mirchandani**  
Non Executive  
Independent Director



**M.S. Unnikrishnan**  
Non Executive  
Independent Director



**Nirupama Rao**  
Non Executive  
Independent Director



**R. D. Chandak**  
Non Executive  
Independent Director



**S. M. Trehan**  
Non Executive  
Independent Director



**Vikram Gandhi**  
Non Executive  
Independent Director



**Vinayak Chatterjee**  
Non-Executive, Non-  
Independent Director

# Management Team



**Vimal Kejriwal**  
Managing Director & CEO



**Rajeev Agarwal**  
Chief Financial Officer



**Neeraj Nanda**  
President – South Asia (T&D, Solar & Smart Infra)



**Anand Kulkarni**  
Executive Director – Business Operations



**Kaushal Kodesia**  
Executive Director – Railways



**Manjit Singh Sethi**  
Executive Director – Cables



**Nagesh Veeturi**  
Executive Director – Civil



**Sanjeev Agarwal**  
Executive Director – International (T&D, Solar)



**Gustavo Cedeno**  
Chief Executive Officer – SAE Towers



**Pankaj Kalani**  
Chief Executive - Oil & Gas Pipelines



**Somraj Roy**  
Chief Human Resources Officer



**Sumant Srivastava**  
Chief Executive – KEC Towers LLC and Senior Vice President - MENA





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## Key Performance Highlights

*Civil Industrial project in Madhya Pradesh*

## Performance Snapshot – Q1 FY23



### Revenue

- Consolidated Revenues of Rs. 3,318 Cr – Robust growth of 31%
- Healthy growth in both T&D as well as Non T&D businesses



### Order Intake

- YTD Order Intake of Rs. 3,472 Cr
- Led by Civil and T&D, followed by Railways, Cables, Oil & Gas



### Order Book

- Highest ever Order Book + L1 Pipeline of over Rs. 30,000 Cr
- Bright Prospects Ahead



### Margins

- Standalone EBITDA at 8.2%  
Consolidated EBITDA at 5.1%
- Visibility improving with softening of commodity prices and execution of new orders



### Leverage

- Net Debt at Rs. 3,418 Cr
- Slightly elevated owing to few one-off reasons



## Key Business Highlights – Q1 FY23



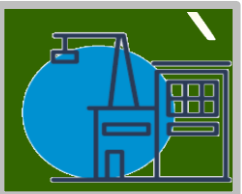
### T&D

- Achieved Revenues of ~Rs. 1,650 Cr., strong growth of 17% YoY; robust execution across India and Overseas
- Secured new orders of Rs. 1,200 Cr+ for T&D and cabling projects across India, Middle East and Americas including a prestigious order to build India's first 765kV Digital GIS Substation from PGCIL



### Railways

- Revenue surpasses Rs. 700 Cr., stellar growth of 19% YoY; Delivered double-digit EBITDA margins, despite a challenging environment
- Order intake of over Rs. 400 Cr. - Orders in conventional OHE as well as orders in new areas of speed upgradation and OHE for metro
- Witnessing a gradual pick up in the tendering activities and are confident of securing a larger share of orders in the coming months



### Civil

- Delivered an exemplary performance with Revenues of ~Rs. 600 Cr with an impressive growth of ~2 times
- Secured orders of Rs. 1,200 Cr+ across Industrial, Residential, Hydrocarbon, Defence and Data centre segments
- All time high order book + L1 of over Rs. 10,000 Cr



### Oil & Gas

- Revenues of Rs. 92 Cr. and secured an order of Rs. 105 Cr.; Order book + L1 of ~Rs. 1,000 Cr.
- Successfully achieved completion of a targeted pipeline laying project, which will significantly enhance our PQs and pave way for us to secure similar orders in the future



### Cables

- Cables business has grown by 26% YoY and achieved Revenues of Rs. 419 Cr.
- Inaugurated our state-of-the-art Railway products manufacturing facility in Vadodara
- Progressing well with the development of additional new products



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## Financial Performance

*Railway third line project in West Bengal*



## Profit and Loss Summary

(₹ crore)

Particulars	Consolidated		
	Q1 FY23	Q1 FY22	Growth (Y-o-Y)
Revenues	3,318	2,540	31%
EBITDA	168	160	5%
<i>EBITDA Margins</i>	<i>5.1%</i>	<i>6.3%</i>	
(+) Other Income	8	2	
(-) Depreciation	39	38	
(-) Interest	100	65	54%
<i>Interest as % to sales</i>	<i>3.0%</i>	<i>2.6%</i>	
PBT	37	59	-37%
<i>PBT Margins</i>	<i>1.1%</i>	<i>2.3%</i>	
Tax	6	12	
<i>Tax Rate %</i>	<i>16.4%</i>	<i>21.2%</i>	
PAT	31	46	-33%
<i>PAT Margins</i>	<i>0.9%</i>	<i>1.8%</i>	

Standalone		
Q1 FY23	Q1 FY22	Growth (Y-o-Y)
2,849	2,338	22%
234	225	4%
<i>8.2%</i>	<i>9.6%</i>	
8	3	
31	30	
75	57	30%
<i>2.6%</i>	<i>2.5%</i>	
136	141	-3%
<i>4.8%</i>	<i>6.0%</i>	
36	37	
<i>26.4%</i>	<i>26.6%</i>	
100	104	-3%
<i>3.5%</i>	<i>4.4%</i>	

## Businesswise Revenue Performance (Consolidated)

(₹ crore)

Business Verticals	Q1 FY23	Q1 FY22	Growth (Y-o-Y)
<b>T&amp;D:</b>	<b>1,645</b>	<b>1,405</b>	<b>17%</b>
- T&D (KEC)	1,279	1,202	6%
- SAE Towers	366	203	80%
<b>Non T&amp;D:</b>	<b>1,819</b>	<b>1,248</b>	<b>46%</b>
- Railways	705	594	19%
- Civil	598	301	99%
- Oil & Gas Pipelines	92	0	NA
- Smart Infra	5	20	-76%
- Cables	419	334	26%
<b>Inter SBU:</b>	<b>-145</b>	<b>-113</b>	<b>28%</b>
<b>Total Net Sales</b>	<b>3,318</b>	<b>2,540</b>	<b>31%</b>
T&D Share	50%	55%	
Non T&D Share	50%	45%	



## Borrowings & Working Capital (Consolidated)

Particulars	30-Jun-22	30-Jun-21	Increase/ (Decrease) YoY
I) Net Debt	3,418	2,533	885
II) Interest Bearing Acceptances	2,658	1,405	1,253
<b>Total (I + II)</b>	<b>6,076</b>	<b>3,938</b>	<b>2,138</b>

31-Mar-22	Increase/ (Decrease) QoQ
2,613	805
2,152	506
<b>4,765</b>	<b>1,311</b>

(₹ crore)

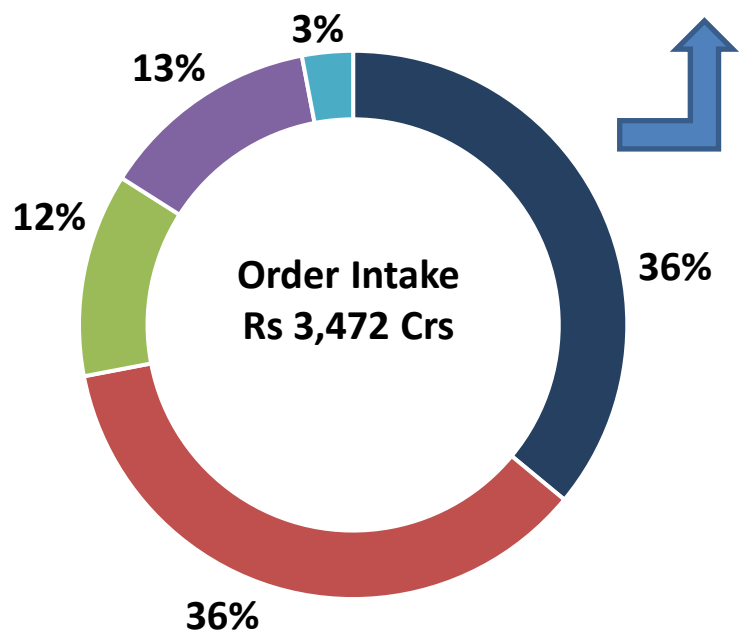
- ❑ The debt level is elevated during the quarter owing to few EPC orders in Railways, where the billing is linked to erection i.e. milestone payments and loss in the SAE Brazil subsidiary
- ❑ **Net Working Capital (NWC)** stands at 148 days as on 30<sup>th</sup> Jun'22. We continue to focus on below initiatives to optimize working capital:
  - Judicious monitoring of cash flows through daily/ weekly war rooms
  - Setting up Cross Functional teams for collection of high value AR especially retention
  - Increasing credit period of key vendors
  - Concerted efforts on expediting commercial closure of projects
  - Enhancing digitalisation efforts

# Order Intake & Order Book (Consolidated)

## Order Intake – YTD FY23

T&D : 29%

SAE : 7%



■ T&D ■ Civil ■ Railways ■ Cables ■ Oil & Gas

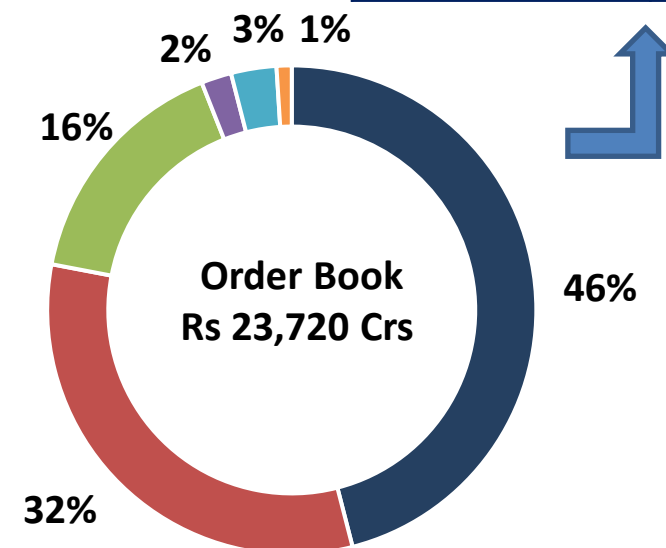
Domestic : 85%

International : 15%

## Order Book – 30 Jun'22

T&D: 41%

SAE : 5%



■ T&D ■ Civil ■ Railways ■ Cables ■ Oil & Gas ■ Smart Infra

Domestic : 66%

International : 34%

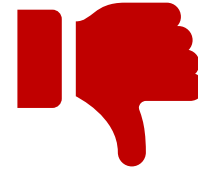
Highest ever Order Book + L1 of Over Rs 30,000 Crs

## Business Outlook – Exciting Times Ahead

### TAILWINDS



- Softening of commodity prices such as Steel, Aluminium and Copper
- Capex resurgence
  - Government's thrust on Infrastructure continues
  - Return of Private capex
- Enhanced GCC capex backed by oil prices
- Uptick in tendering activities of Domestic T&D and Railways
- Gradual revival in outlook of SAE Brazil



### HEADWINDS

- Increase in interest rates
- Elevated logistics costs
- Geopolitical instability
- Fears of recession in developed economies
- Relapse of COVID-19

- ✓ Commenced execution of projects which had been secured based on higher commodity/ logistics costs
- ✓ Robust Order Book and L1 Position of over Rs. 30,000 Cr – Revenue visibility for next 7 to 8 quarters
  - ✓ Tenders under Evaluation & Tenders in Pipeline of over Rs. 110,000 Cr





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**Environmental,  
Social and  
Governance  
(ESG)**

*Solar rooftop at Jaipur plant*



## ESG & Sustainability Goals and Status



### Happiness Quotient

**Target:** Increase Happiness Quotient to 85% by FY26

**Status:** Happiness Quotient for FY22 is 80%, in line with FY21



### Diversity & Inclusion

**Target:** Increase in diversity by 25% by FY26

**Status:** Diversity has increased by 4% YoY in FY22



### Occupational Health & Safety

**Target:** Work towards the goal of achieving Zero accidents

**Status:** LTIFR has reduced to 0.26 in FY22 vis-à-vis 0.68 in FY21, a reduction of 62% YoY



### Corporate Social Responsibility

**Target:** Reach 2 lac CSR beneficiaries by FY 26

**Status:** CSR beneficiaries for FY22 are 3.3 lakh (includes COVID-19 response beneficiaries of 2.4 lakh)



### Circularity

**Target:** Zero waste to landfill by FY 26 for manufacturing plants

**Status:** Waste to landfill has reduced by 34% YoY in FY22



### Water Positive Approach

**Target:** Reduce water consumption intensity in manufacturing plants by 20% by FY26

**Status:** Water consumption intensity has reduced by 16% YoY in FY22



### Energy Consumption

**Target:** Reduce energy consumption intensity of manufacturing plants by 15% by FY26

**Status:** Energy consumption intensity has reduced by 26% YoY in FY22



### Carbon Emission

**Target:** Reduce Greenhouse Gas (GHG) emissions intensity of manufacturing plants by 20% by FY26

**Status:** GHG emission intensity has reduced by 12% YoY in FY22



### Sustainable Procurement

**Target:** 100% of key suppliers to be assessed under ESG criteria by FY23

**Status:** Formulated Sustainable Procurement Policy & Assessment process initiated

# Key Environmental Initiatives



## Circularity

- Reduction in Acid Neutralisation sludge by **installation of an acid recovery plant**
- Establishment of an **inhouse zinc recovery mechanism** from zinc ash
- **Developing eco-friendly hybrid drums** for cables with steel and HDPE sheets to reduce steel and eliminate wood



Acid Recovery Plant



Hybrid Drums for Cables



## Water Positive Approach

- Complete recycling of trade effluents and domestic wastewater through ETPs and STPs to achieve **'Zero Wastewater Discharge'**
- **Installation of rainwater harvesting structures** to reduce water consumption
- **Establishing natural water harvesting system by constructing water ponds** for enhanced water table throughout the year



STP plant for waste water treatment



Rain water harvesting pond



## Decarbonisation

- **Installation of solar rooftop plants** at Butibori and Jaipur
- **Procurement of energy from renewable sources** to fulfil energy requirement for Cables plants in Mysuru and Vadodara
- **Use of induction furnace** based on electricity instead of fossil fuel, for lower carbon emissions



Solar rooftop plant



Induction Heater

# Key Social Initiatives



## Happiness Quotient

- Action planning workshops across the organisation to increase Happiness Quotient
- Employee Wellness Sessions by Medical Fraternity in collaboration with a reputed consultant
- Hybrid way of working for employees



## Diversity & Inclusion

- Deployed women employees on shop floors at manufacturing facilities, international and domestic project sites
- Increased recruitment of Persons with Disability and commenced hiring transgenders for various roles



## Occupational Health and Safety

- Introduced standardized and 'Model Safety Park' and initiated implementation in all sites
- Enhanced focus on safety training by leveraging modern technologies such as Virtual and Augmented reality



## CSR\*

**Education: 3,000+** Children Impacted; **4,300+** Teachers trained in BMC

**Employability: 6,231** Youth & Women trained; **5,811** Youth and Women employed in jobs

**Community Development (Fever clinics):**

**2.63 lakh+** people benefitted

**9,500+** meals distributed; **4,100+** ration kits distributed



*\*Updates for FY 2021-22*



# THANK YOU



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