



Investor Presentation

Financial Results: FY20 & Q4'20

Date: 30th June 2020



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I. Financial Performance – FY20 & Q4'FY20



Round-up of a Successful Year - FY20

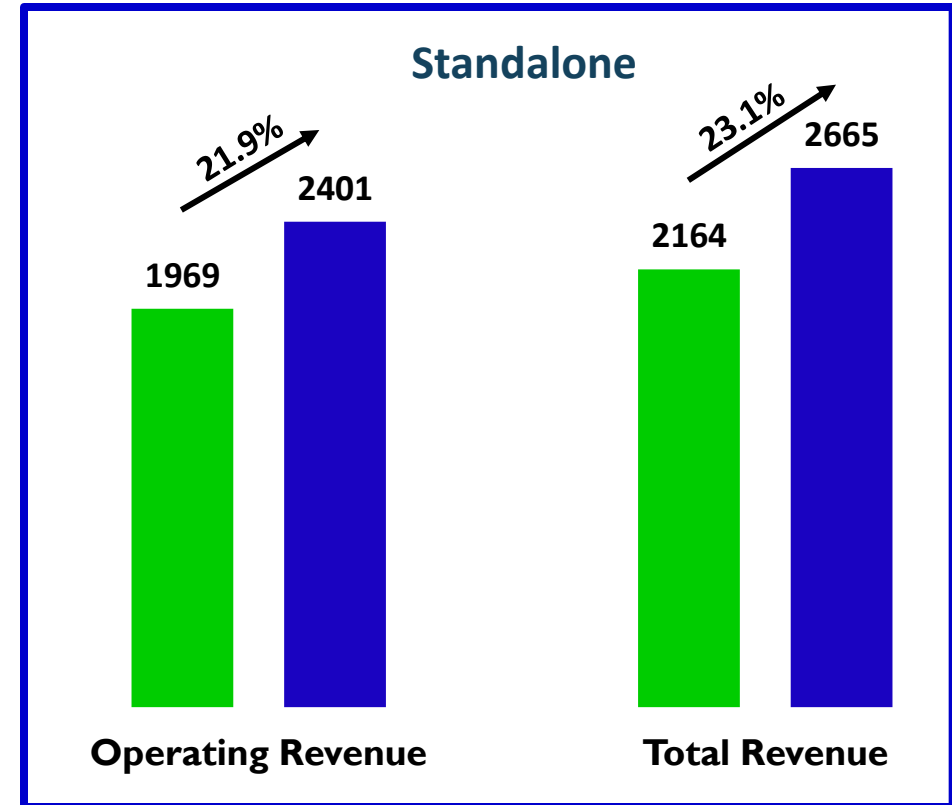
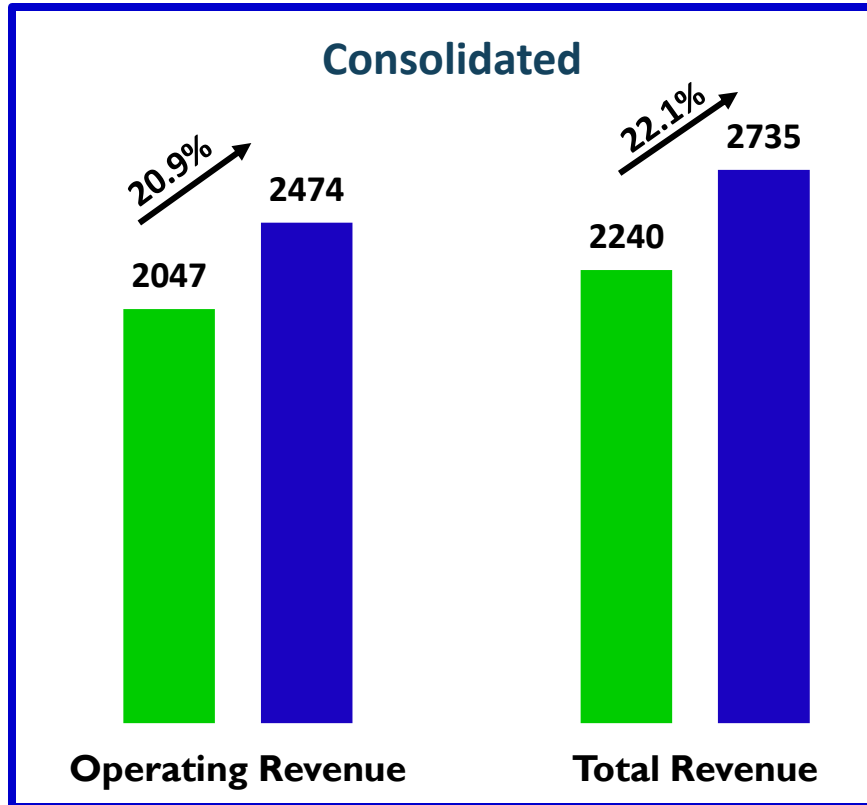


- # Highest ever revenue (up 22%) and profits (up 29%)
- # Final Dividend of ₹ 6 per share
- # Highest ever Annual Dividend of ₹ 400 Cr (₹ 16 per share)
- # 161% rise in exports over FY19:
 - # Supply of 6 DEMU Trainsets to Sri Lanka completed, secured repeat order of 2 more.
 - # Foray into Cape Gauge market with ₹706 cr. export contract of DEMU Trainsets and Locos to Mozambique
- # Construction supervision – Mauritius Metro (Phase-1) – Operationalized
- # Completed 188kms of Railways Electrification & 83 kms of track work
- # Completed Integrated Check Post at Biratnagar in Nepal
- # Added 62nd locomotive to our leasing fleet
- # Equity investment of ₹ 48 cr. for 24% shareholding in IRSDC
- # 1:4 bonus shares issued in August'19
- # Implementation of E-office



Another Year of Strong Performance

₹ in Crore



■ FY19
■ FY20

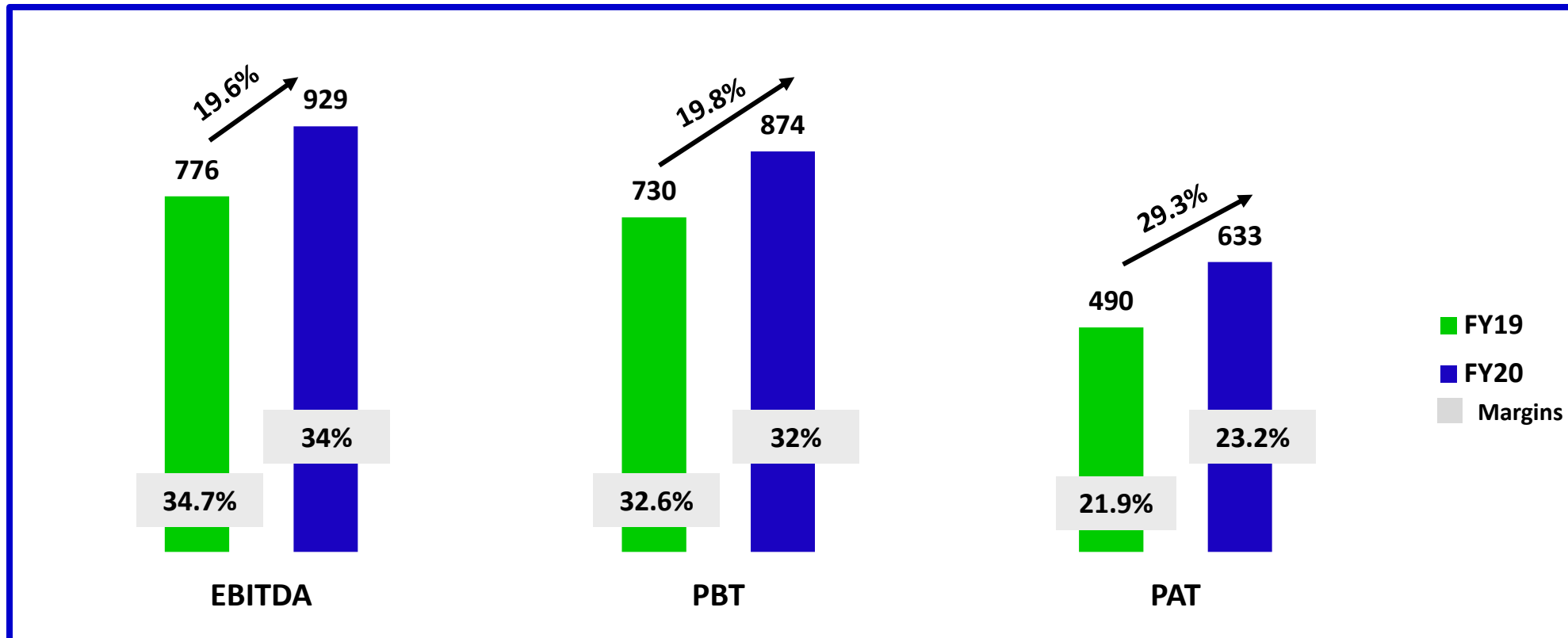
Achieved 22% growth in operating revenue as against targeted 17% on standalone basis

Growth driven by increase in Exports, Leasing and Turnkey Construction Business



Profits with Sustained Margins (Consolidated)

₹ in Crore



Focus on expeditious execution of orders helped in increased profits

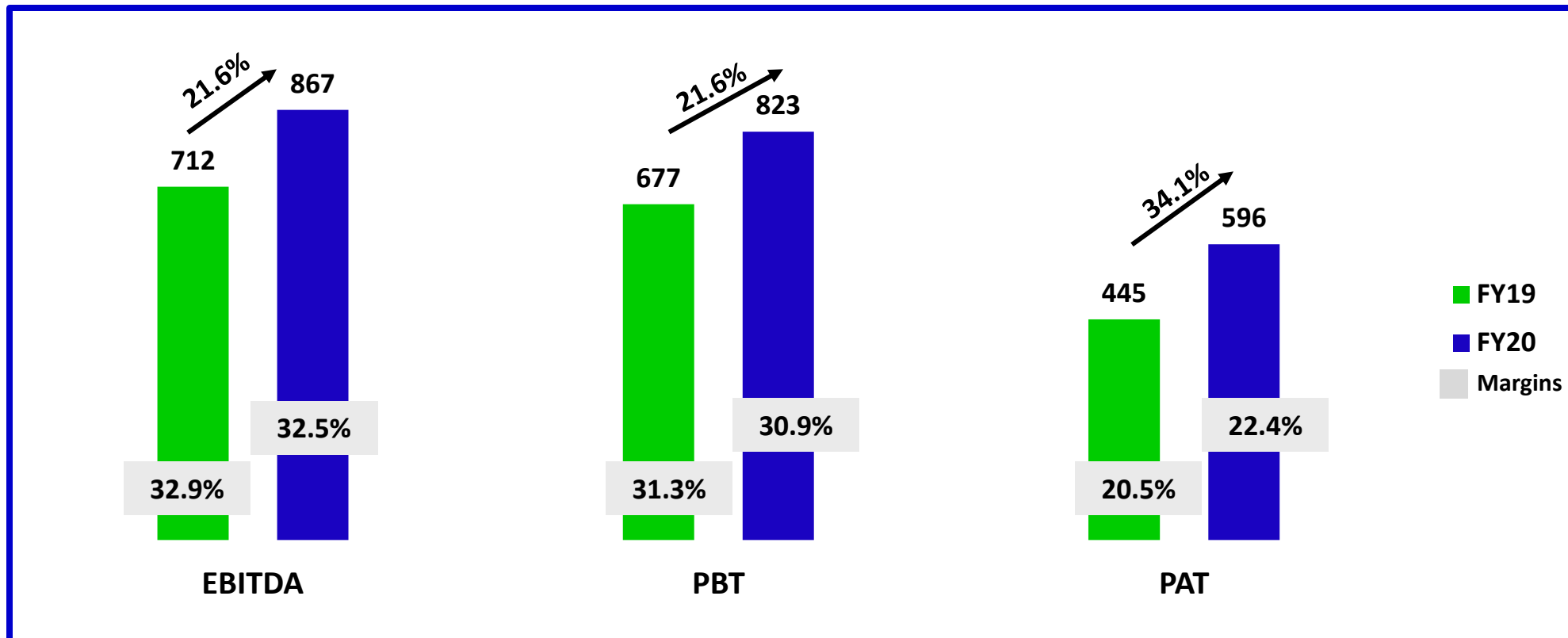
Increased human resource productivity helped in maintaining margins

*EBITDA = PBT + Interest + Depreciation + Amortization



Profits with Sustained Margins (Standalone)

₹ in Crore



Consultancy and leasing helped to maintain margins on incremental revenues

PAT is positively impacted by ₹ 52 crore due to adoption of lower tax rate from this financial year

*EBITDA = PBT + Interest + Depreciation + Amortization



Segmental Growth (Standalone)

₹ in Crore



Significant growth in Exports on supply of DEMU Trainsets and Locomotives to Sri Lanka

Consultancy remained almost flat due to various reasons including disruption in March'20, even certain foreign projects suffered due to lockdown

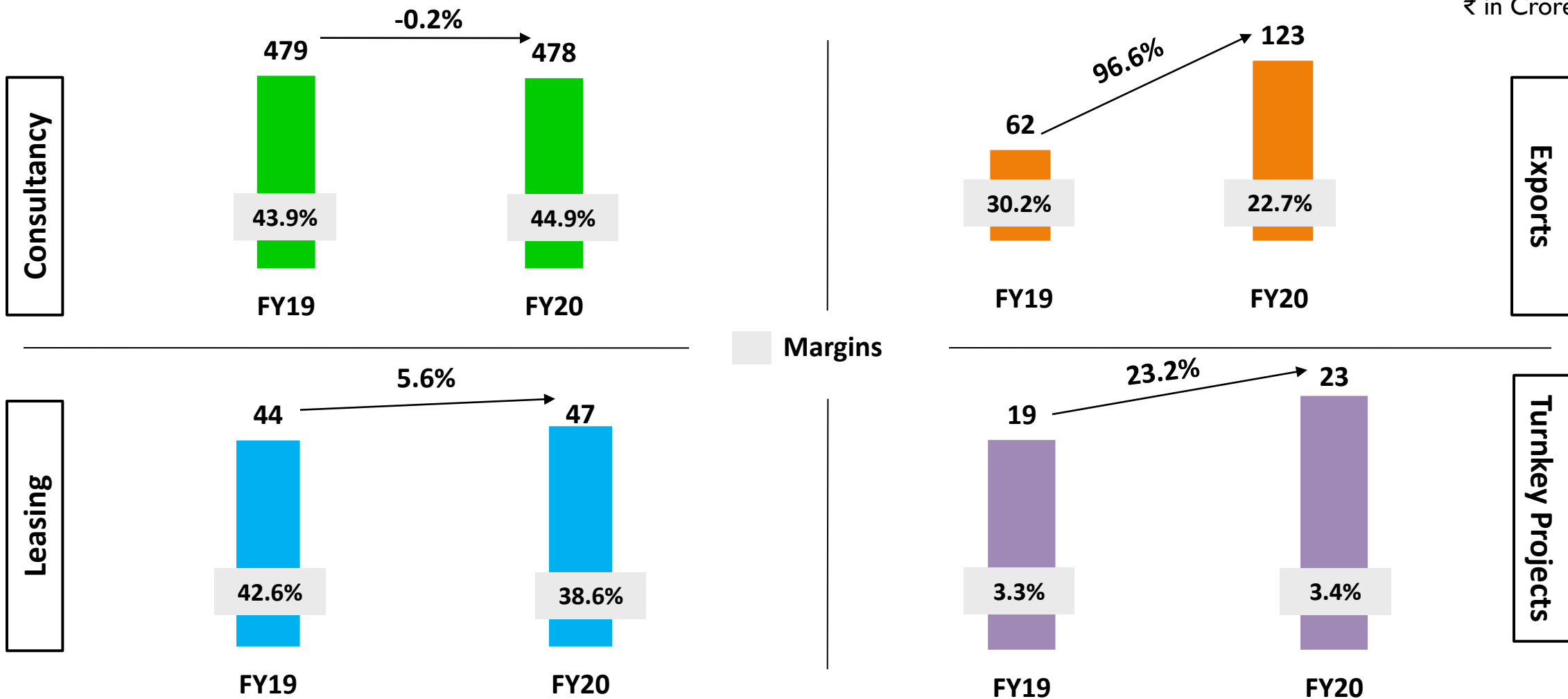
Leasing business increased on account of increased client-base and addition by existing clients

Turnkey project growth can be attributed to timely execution of key projects



Segmental Profits and Margins (Standalone)

₹ in Crore



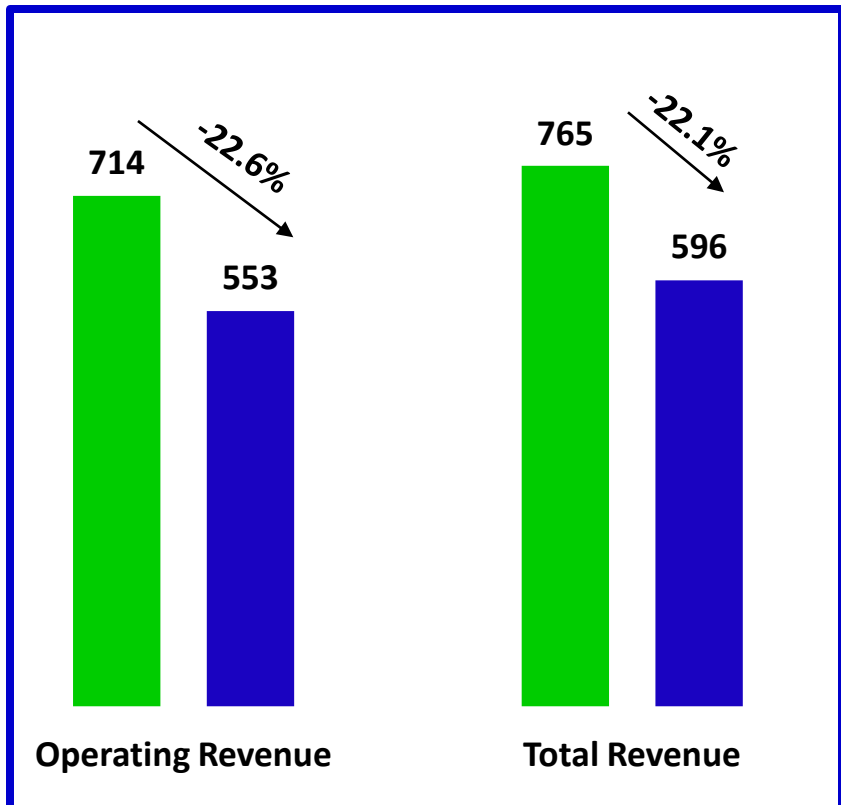
Impact of slightly lower consulting turnover offset by increased profit margins in the segment

*Profits and Margins before charging un-allocable expenses of ₹ 110 crore

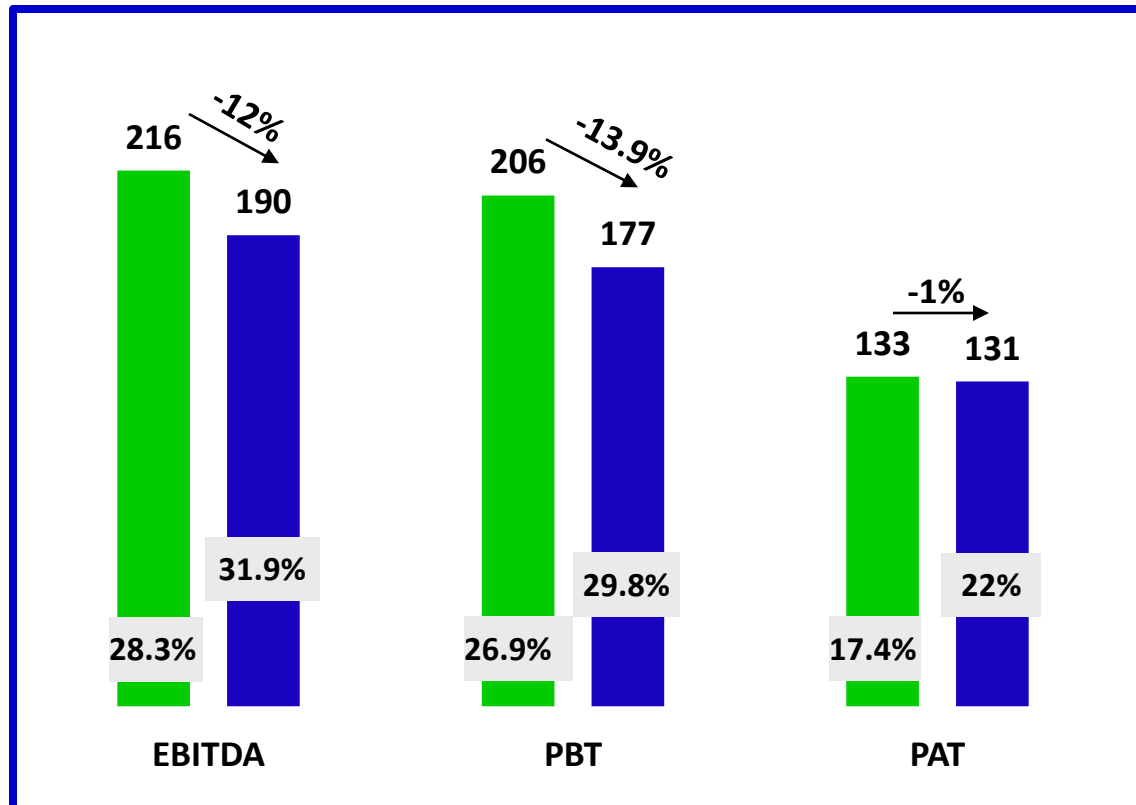


Q4FY20 at a Glance (Standalone)

₹ in Crore



■ Q4'19
■ Q4'20
■ Margins



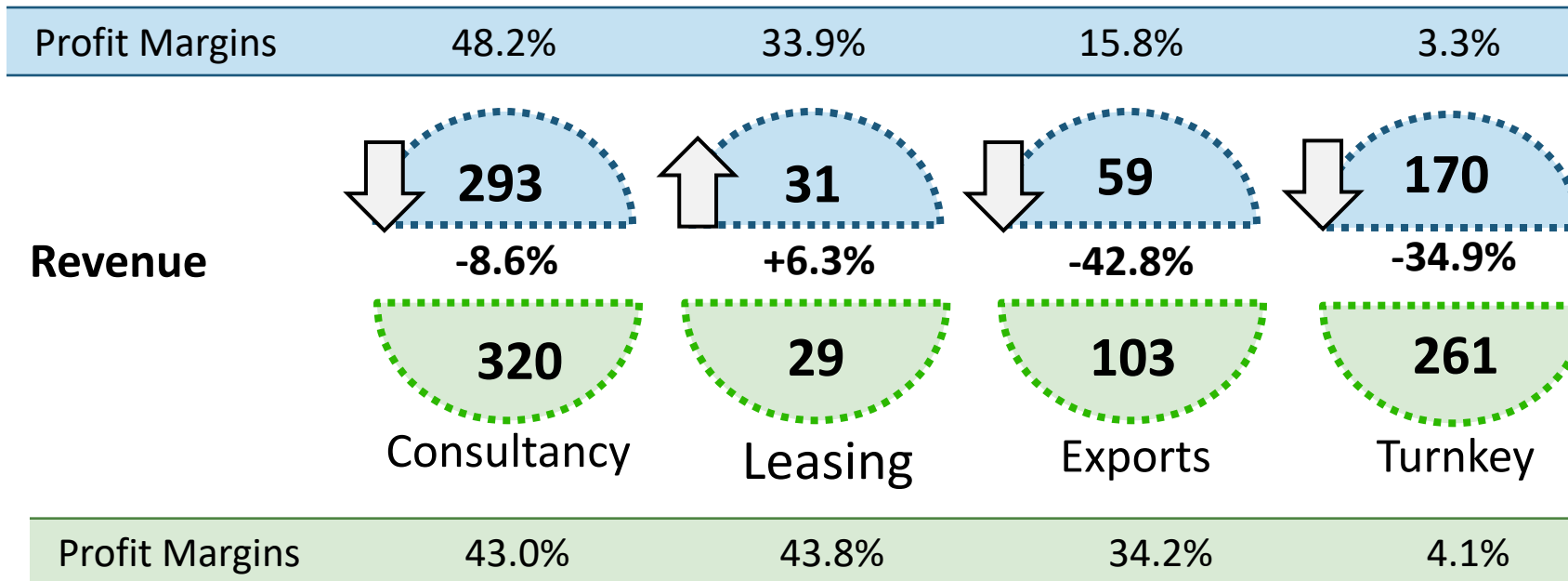
Revenue moderated during the quarter due to major shipments completed till Q3FY20 and impact on revenue due to lockdown. On annual basis exports and turnkey has exceeded in FY20 over FY19 as detailed in slide 9

Margins remained intact on account of better margins in consultancy



Segmental Analysis (Q4FY20)

₹ in Crore



Consultancy margins remained intact despite less revenue due to restrictions in March'20

Exports margins got impacted due to provisioning of ₹5.45 crore against a recoverable from a client. Provision provided in terms of accounting policy but the amount is expected during this year

Fall in turnkey can be attributed to lower execution in the month of March

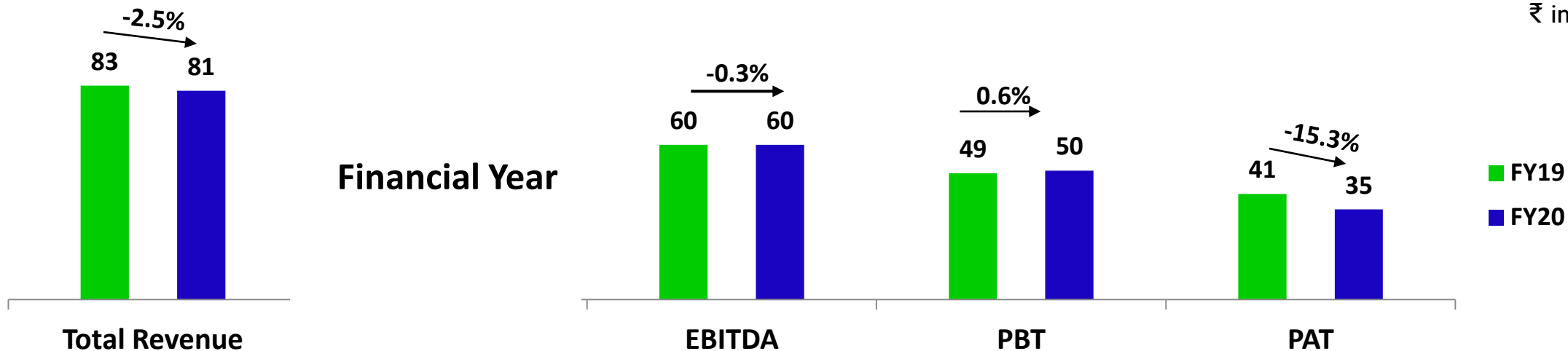
*Profits Margins doesn't include un-allocable expenses



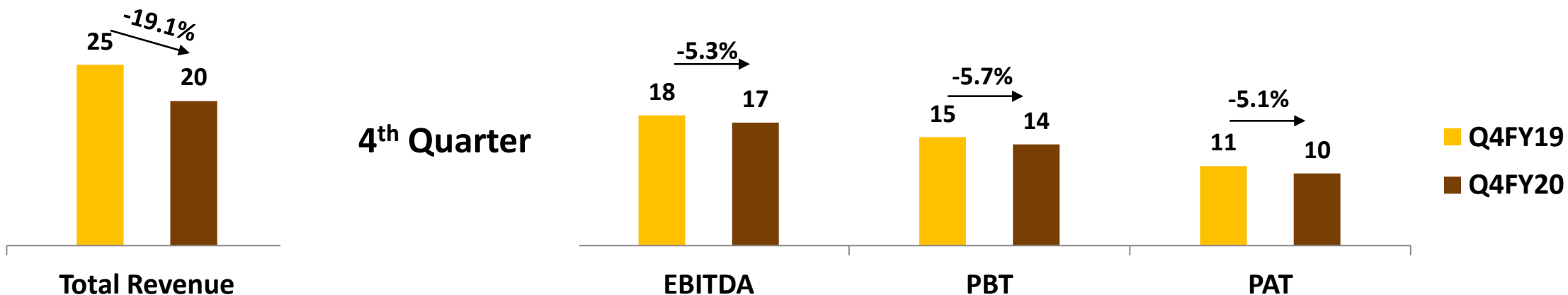
REMCL Performance

₹ in Crore

Financial Year



4th Quarter

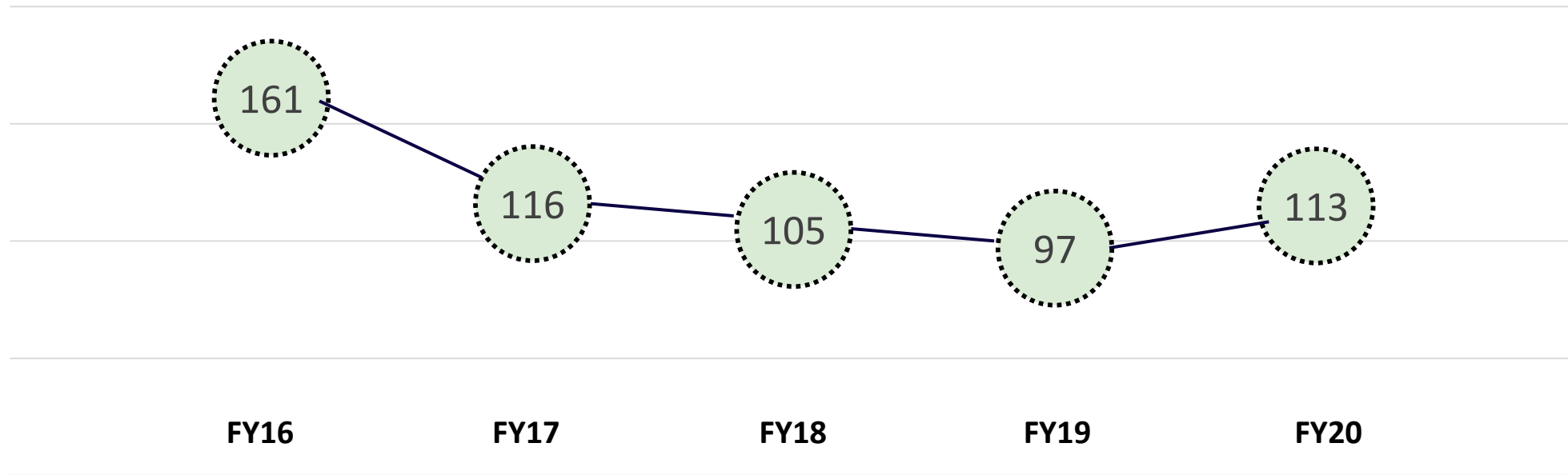


Sustained PBT & PAT margins of 61% and 43% respectively for the FY20

Q4 revenue impacted because of low demand from Railways due to lockdown and maintenance work for wind mills



Trade Receivable in Days (Standalone)



Lockdown impacted the collection performance of the company as March is important month for recoveries

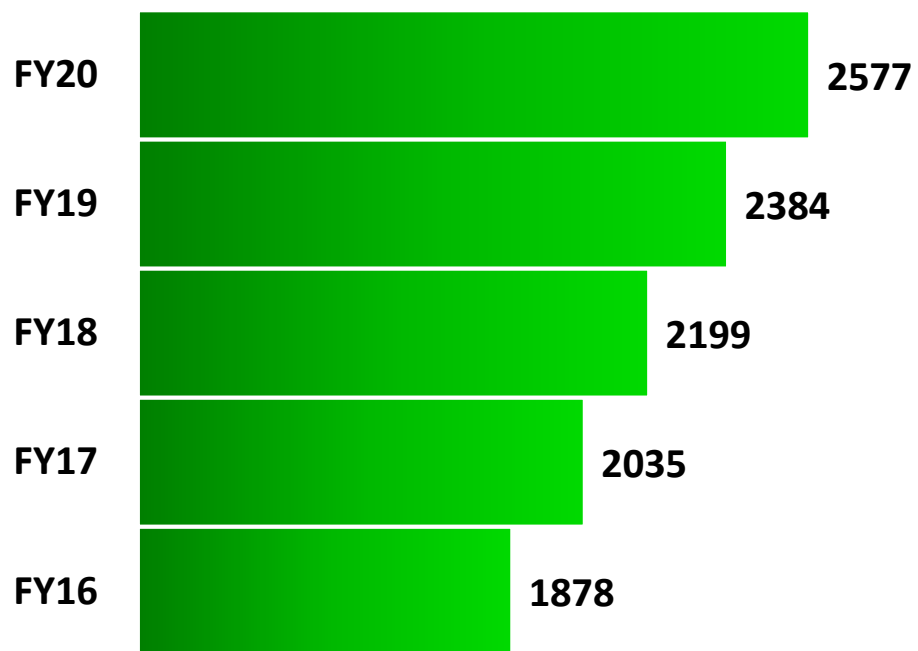
US\$8.35 million from a foreign client, expected in March'20, but received in May due to lockdown there

* Debtor days are net of provisions

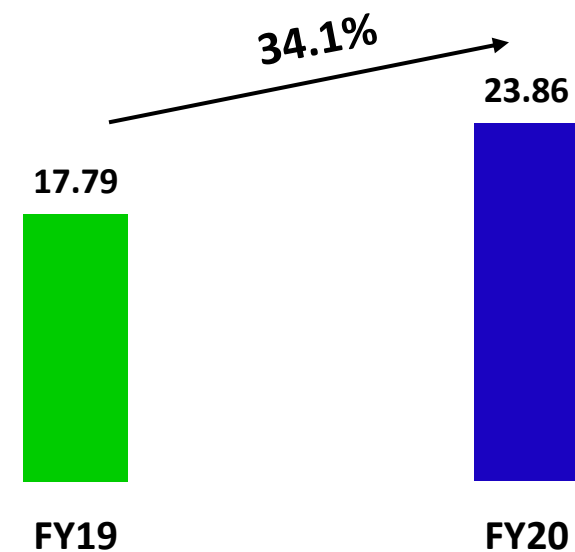


Value Generation for Investors (Standalone)

Networth (₹ in Crore)



EPS (₹)



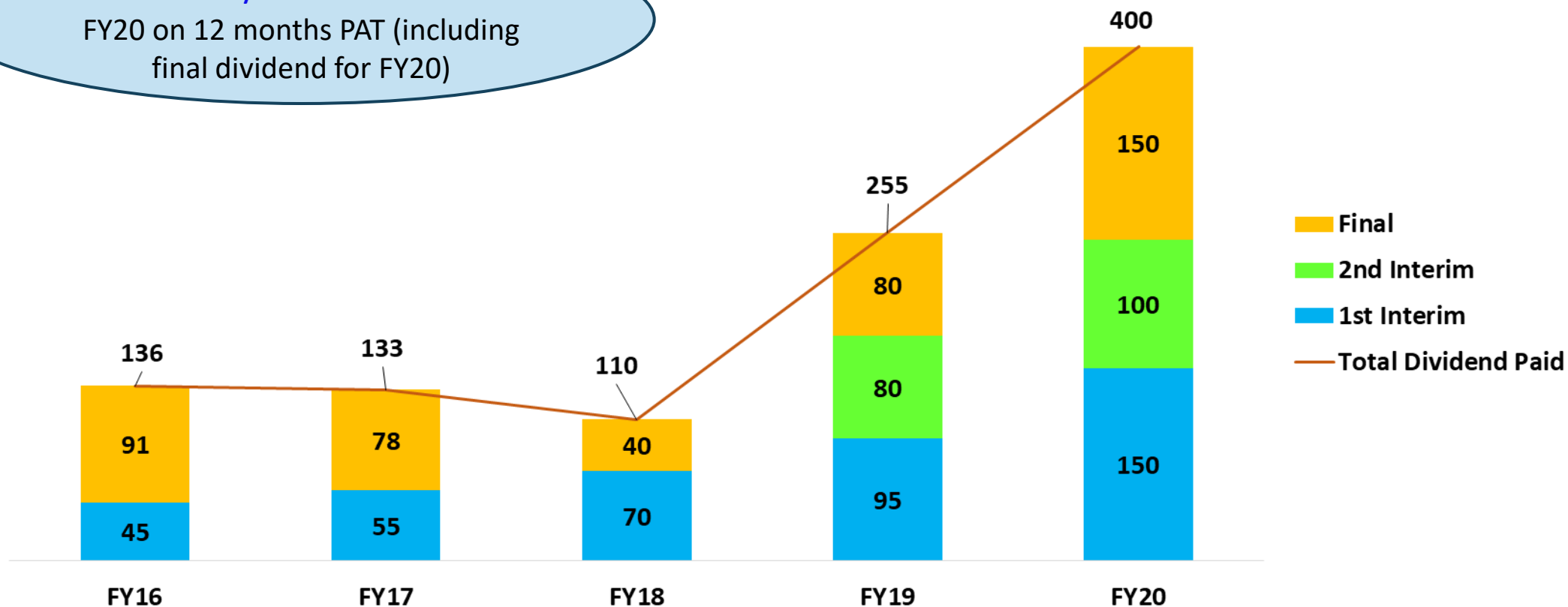
*EPS for FY 19 has been adjusted for the 1:4 bonus share issue during FY20



Dividend Apportioned*

₹ in Crore

Dividend Payout Ratio: **67%** for FY20 on 12 months PAT (including final dividend for FY20)



₹ 150 crore (₹ 6 per share) of Final dividend for FY 20 has been recommended and will be paid in FY21, subject to approval of shareholders

* The above numbers are based on dividends declared for relevant years and not on the year of payment basis



Employee Productivity



Continuous rationalization of manpower to improve productivity



FY20 Profit before Tax per employee stands at Rs. 27 lakh (Rs. 20 Lakh in FY19)



Senior Management with an avg. experience of 33+ years



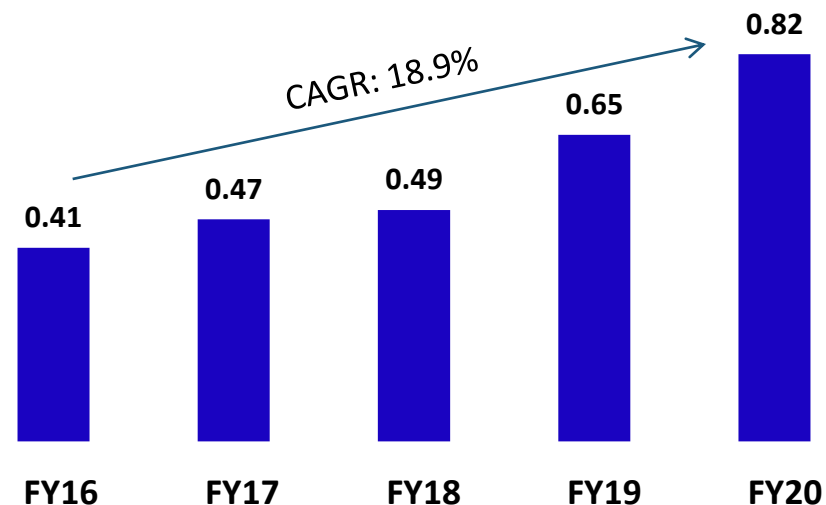
Experts in Engineering, Science, Finance, Economics etc. with a mix of regular, deputationists and contract employees



Approx 1,500 regular skilled engineers/professionals

₹ in Crore

REVENUE PER EMPLOYEE (STANDALONE)



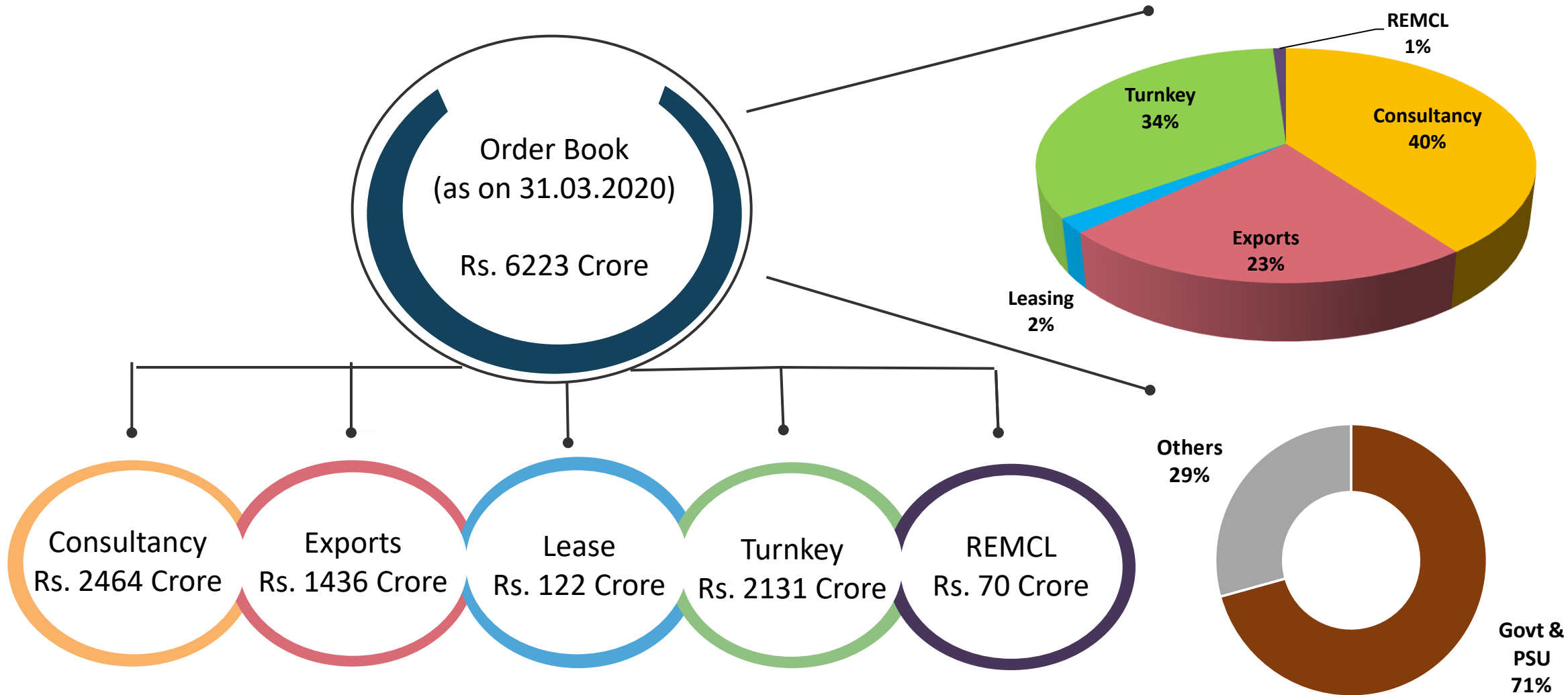
Status	No. of Employees	
	31.03.2019	31.03.2020
Regular	2005	1970
Deputation	173	161
Contract	1142	1105
Total	3320	3236



2. Order Book



Order Book



* Order book includes, ₹706 crore order from Mozambique, for which RITES emerged as L-1 in FY20 & signed agreement in June'20
* Order book also includes US Dollar denominated projects and conversion to INR of such projects has been done at the time of award of the contract
* REMCL's orders book is annualised based on the last quarter's procurement contracts and wind power generation and keeping in mind the Covid Impact



Major Projects Secured during Q4FY20

₹ in Crore

RITES secured more than 300 projects/contracts including enhanced scope during FY20.

	Project Scope	Amount	Client	Expected Completion
Exports	Supply of 6 cape gauge Locomotives and 90 passenger coaches including DEMU train-sets	706.10	CFM, Mozambique	2021
	Consultancy Services for Independent Quality Audits of KIIFB projects	60.00	Kerala infrastructure & Investment Fund Board	2022
Consultancy	Third Party Audit for implementation of BharatNet Phase-II	23.00	Andhra Pradesh State Fibernet Limited	2022
	DPR & Project Management Consultancy for Construction of New Railway siding	14.86	Eastern Coalfield Limited	2022
	Operation & Maintenance of Locomotives	13.91	Paradip Port Trust	2023
	Assessment of stability of Flyover/Bridges	12.25	Hooghly River Bridge Commissioner Ltd	2021
	Consultancy for Inspection, assessment and compliance	6.64	Delhi Metro Rail Corporation	2021



3. Outlook for FY20-21



Pandemic Impact & Response

01 Revenue and profit targets achieved for FY20

02 May impact the earnings and profits for H1FY21

03 Certain order inflows shifted to FY21

04 Collection performance impacted as March being the crucial month



01 Transition to Work from Home(WFH) with e-office and ERP system in place

02 Expediting project execution and exports supplies for the remaining year

03 Contract discussions and finalisations being done through VC

04 Cost cutting measures in place wherever possible

- RITES contributed ₹16 crore to PM CARE fund
- RITES employee's also volunteered to contribute two day's pay
- Distributed food packets worth ₹1 crore through IRCTC
- RITES contributed two ambulances equipped with advanced life support system for Gurugram & Nuh district





Business Outlook

Adequate order book for execution for 2-3 years

Strategic focus on international projects, exports and domestic mega projects

Introduction of ₹111 Lakh crore projects under the National Infrastructure Pipeline to provide with huge opportunities

Optimistic outlook – some high value tenders in pipeline in metros, rail and highway sector

Some impact on FY21 due to COVID, but quick recovery expected

Difficult to quantify outlook for FY21 at this stage

Sufficient order book, diversified business segments and opportunities in infrastructure sector at domestic level as well as abroad are expected to help in recovery during the next fiscal



Thank You
