

**KALPA-TARU®****KALPATARU POWER TRANSMISSION LIMITED**

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KPTL/18-19
25th March, 2019

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Sub.: Investor's / Analyst Presentation – Acquisition of significant stake in Linjemontage i Grastorp AB, a Swedish EPC company

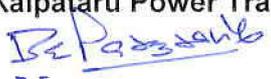
Respected Sir/ Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to forward herewith Investor's / Analyst Presentation.

Kindly take note of the same on your records and oblige.

Thanking you,

Yours faithfully,
For Kalpataru Power Transmission Limited


Basant Parasramka
Dy. President (F&A) & Compliance Officer



Encl.: As above

ISO 9001 CERTIFIED COMPANY

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Kalpataru Power Transmission Limited

Acquisition of Linjemontage i Grastorp AB, Sweden



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- ❖ Kalpataru Power Transmission Limited (KPTL) through its wholly owned subsidiary Kalpataru Power Transmission Sweden AB signs definitive agreement to acquire 85% stake in Linjemontage i Grastorp AB for an enterprise value of USD 24 Million
- ❖ Founded in 1993, Linjemontage specializes in EPC and O&M in power supply solutions and services for electricity networks up to voltage range of 400 kV. The Company has three main business areas, comprising of EPC of Substation, Transmission & Distribution Networks and O&M of Electricity Network Services.
- ❖ Linjemontage Order Book as on date is US\$ 77 Million spread across Sweden and Norway
- ❖ KPTL Advantages:
 - ❖ Market access and Qualifications for Nordic countries and Europe where KPTL currently has no presence
 - ❖ Linjemontage's EPC, Technical & People expertise can be leveraged to pursue higher growth
 - ❖ Professionally Managed Organization
 - ❖ Low cost India manufacturing base to be used for efficient operations and scale-up market penetration in Europe
 - ❖ Deal at EBITDA multiple of 6-7x (CY2019); Linjemontage Avg. ROCE of last 2 years is over 25%
 - ❖ Linjemontage Avg. revenue growth of over 25% for last 3 years
- ❖ Transaction expected to close in Q1FY20

(Amount in US\$ Million)

Particulars	CY2016	CY2017	CY2018
Revenue	44.2	55.6	75.1
EBITDA	0.9	2.3	2.8
Finance Cost	0.03	0.01	0.11
PBT	0.46	1.96	2.40
PAT	0.25	1.51	1.85
EBIDTA Margin	1.9%	4.1%	3.7%
PBT Margin	1.0%	3.5%	3.2%
PAT Margin	0.6%	2.7%	2.5%

Particulars	CY2016	CY2017	CY2018
Capital Employed	7.9	4.9	10.4
Return on Capital Employed (%)	6.3%	40.4%	24.2%

Note: Conversion of SEK to USD at constant rate of 9.25

Acquisition Rationale - Perfect Match with Powerful Synergies



- ❖ Strong geographies – India, SAARC, Africa, Middle East, CIS
- ❖ Industry leading manufacturing & EPC capabilities in T&D business
- ❖ Well diversified portfolio across various EPC businesses
- ❖ Strong business development and tendering capabilities to speed up market penetration
- ❖ Robust balance sheet, strong financials and track record of successful M&A (JMC Projects Ltd. & Shree Shubham Logistics Ltd.)

- ❖ Strong geographical presence in Sweden and Norway
- ❖ Asset light model and high ROCE business model
- ❖ Exposure to high potential growing market
- ❖ Differentiated EPC and technological capabilities
- ❖ Strong, Motivated & Experienced management team at Linjemontage
- ❖ Strong financial performance; consistent growth over past 5 years



- ❖ Transaction provides a compelling value proposition and highlights KPTL vision to be local player in the global environment
- ❖ Access to Nordic and Europe markets to pursue growth in core T&D business; PQ to execute up to 400kV substation & Transmission Line Projects for Nordic countries. Addressable market for KPTL in Sweden & Norway is US\$ 800-900 million per annum for next 5-7 years
- ❖ Consolidated top line to grow from first year
- ❖ Business Synergies: Linjemontage's EPC & Technology Expertise; KPTL's Low Cost Indian Manufacturing Base and EPC Capabilities for Large T&D Projects



KALPATARU[®]

POWER TRANSMISSION LIMITED

Thank You

Contact

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