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June 06, 2024

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

Sub: Investor presentation

In continuation to our letter dated May 30, 2024, and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the presentation to be made by the Company during the RPG Annual Investor Conference 2024 scheduled to be held on June 07, 2024.

Kindly take the same on records.

Thanking you,
Yours faithfully,
For KEC International Limited

Rajeev Aggarwal
Chief Financial Officer

Encl: as above



hello happiness

KEC International Limited RPG Annual Investor Conference

7 June 2024

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KEC – Building Icons of Happiness

7+
DECADES

FOOTPRINT IN
110+
COUNTRIES

300+
ONGOING
PROJECTS

\$2.4
BILLION
GLOBAL EPC
MAJOR

83
HAPPINESS
SCORE

7500+
EMPLOYEES

35+
NATIONALITIES



Transmission
& Distribution



Civil



Urban Infra



Railways



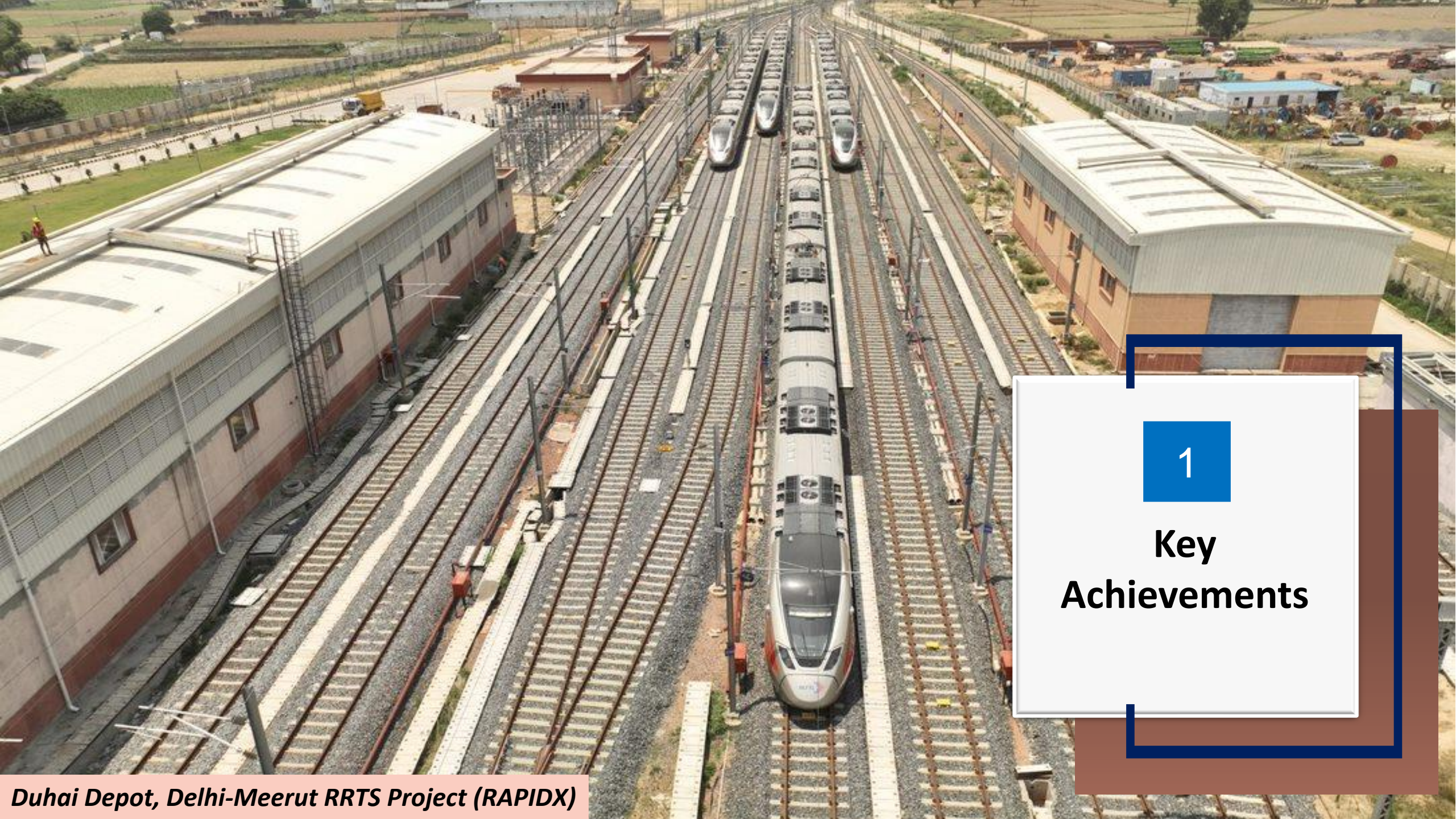
Oil & Gas



Renewables



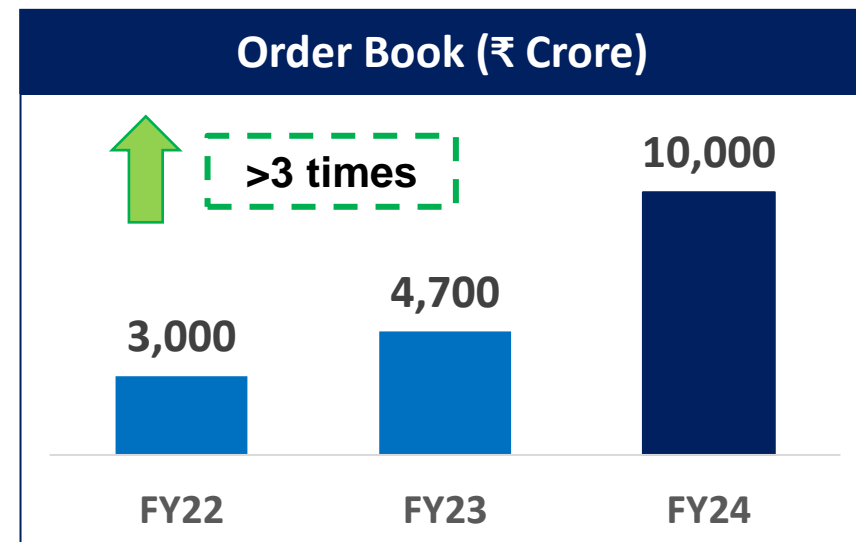
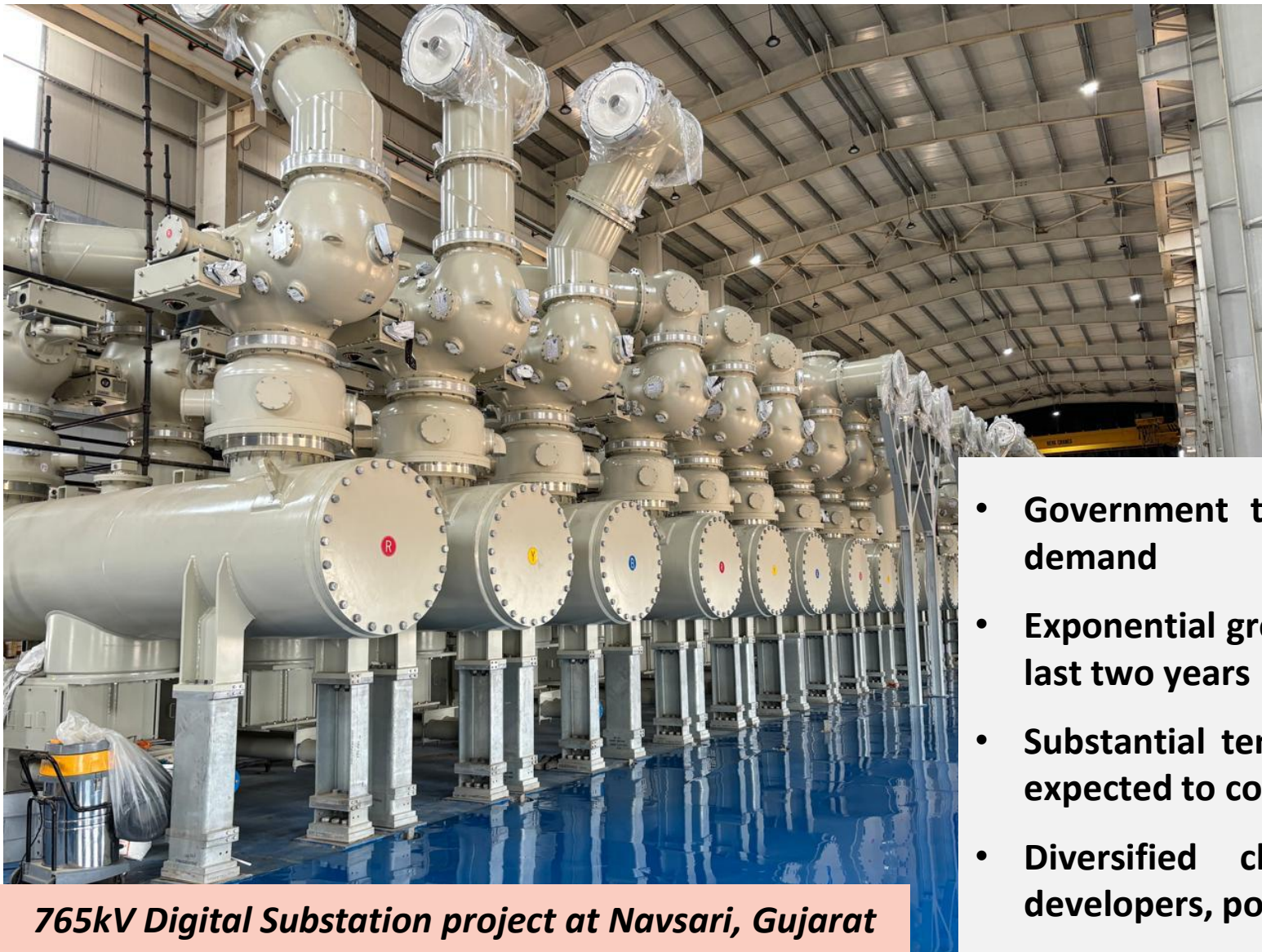
Cables



1

Key Achievements

Resurgence in India T&D



- Government thrust on renewables and increase in power demand
- Exponential growth in order book of more than three times in last two years
- Substantial tender pipeline of over Rs. 25,000 Crores and is expected to continuously grow in next 3-4 years
- Diversified clientele – PGCIL, state utilities, private developers, power producers and refineries

SAE Towers - Successful Turnaround



Brazil - Tower/ Hardware Manufacturing



Mexico - Tower/ Poles Manufacturing

- **Delivered positive PBT across all the four quarters**
- **Substantial reduction in Interest cost – Average cost of borrowing reduced to 11% p.a. from 20% p.a. last year**
- **Largest auction in Brazil – Well positioned for securing orders for supply of towers and hardware with some of the Auction winners**
- **Uptick in tendering activities in US and Mexico**
- **Strong order book & L1 of ~Rs. 3,000 Cr**
 - Supply of towers, hardware & poles and engineering & testing of towers (No EPC orders)
 - Breakthrough in the US market with the successful supply of hardware products from Brazil

Increase in Business from Products (Non-EPC)

TOWERS



HARDWARE



POLES



CABLES



- **Significant increase in the share of products (Towers, Hardware, Poles, Cables) from third parties - Share in order intake increased to 21%, up from 15% last year**
 - Secured significant orders of over Rs. 2,000 crore across key markets such as Middle East, North America, South America, Africa, Europe and Australia – Largest order from US and maiden order from Europe
 - Increased tower manufacturing capacity at our Dubai facility will be operational in Q1 FY25

Establishing Manufacturing facility for HTLS Conductors

- ✓ Establishing fully integrated manufacturing line for Aluminium conductors - already secured orders for supply of power transmission conductors (ACSR and AL-59) from government utility/ private TBCB developer
- ✓ Expected to be commissioned in Q3



ACSR



AAAC



AL-59

- This strategic move will contribute significantly to the revenues and margins of the cable business
- Will reduce dependence on Conductor OEMs - Enable timely execution of T&D projects

Expanded Product Portfolio - Backward Integration



Formwork



**Cuplock &
Scaffolding**



**Fencing/
Protective Screen**



**Cable
Tray**



**Telecom
Towers**

- Developed various new products in our factories such as Formwork, Cuplock & Scaffolding, Fencing & Protective screen, Cable Trays and Telecom towers; Supplying to Civil, Railways, T&D and Urban Infra businesses
- Secured maiden order for supply of Telecom towers during the year

International Expansion – Railways and Oil & Gas



Signaling & Telecommunication Project at Mathura-Dholpur, Uttar Pradesh



Booster Pump Installation at Vadinar Pipeline Project, Gujarat

- Railways and Oil & Gas Pipeline businesses have commenced execution on their International orders, reflecting our growing footprint and capabilities
- Continue to bid for select opportunities in Civil as well

Breakthrough in New Segments



Hospitals



Commercial Buildings



FMCG



Logistics Park



HVDC Converter Stations



Automatic Block Signaling

Substantial Improvement in ESG Ratings

Environment

- Increased Solar footprint across factories to ~25%
- Achieved benchmark initiatives such as water positivity



Social

- Increase in Happiness Quotient to 83% from 81%
- Launched revamped Rewards & Recognition program – RACE (Recognise & Celebrate Excellence)



Governance

- Diversified and independent board of 12 members
- Enhanced Governance – Adopted 10+ new policies across the company in the last two years



- ✓ Significant improvement in ESG Ratings by both S&P Global DJSI & Morningstar Sustainalytics
- ✓ Ranked 1 in India amongst the Engineering & Construction sector by both the Global agencies
 - ✓ Globally we are in Top Quartile in our industry (80th Percentile)

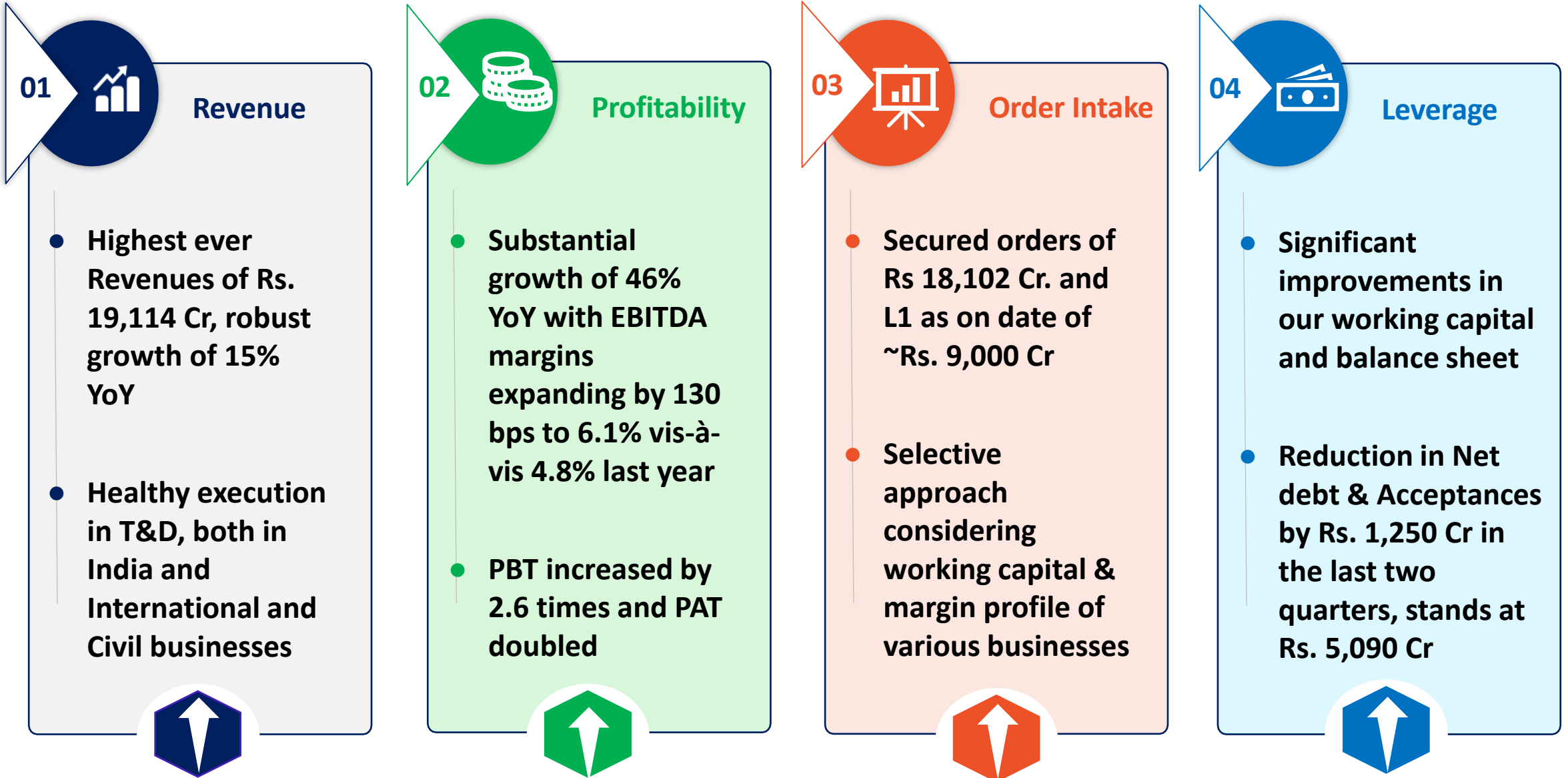
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Financial Performance

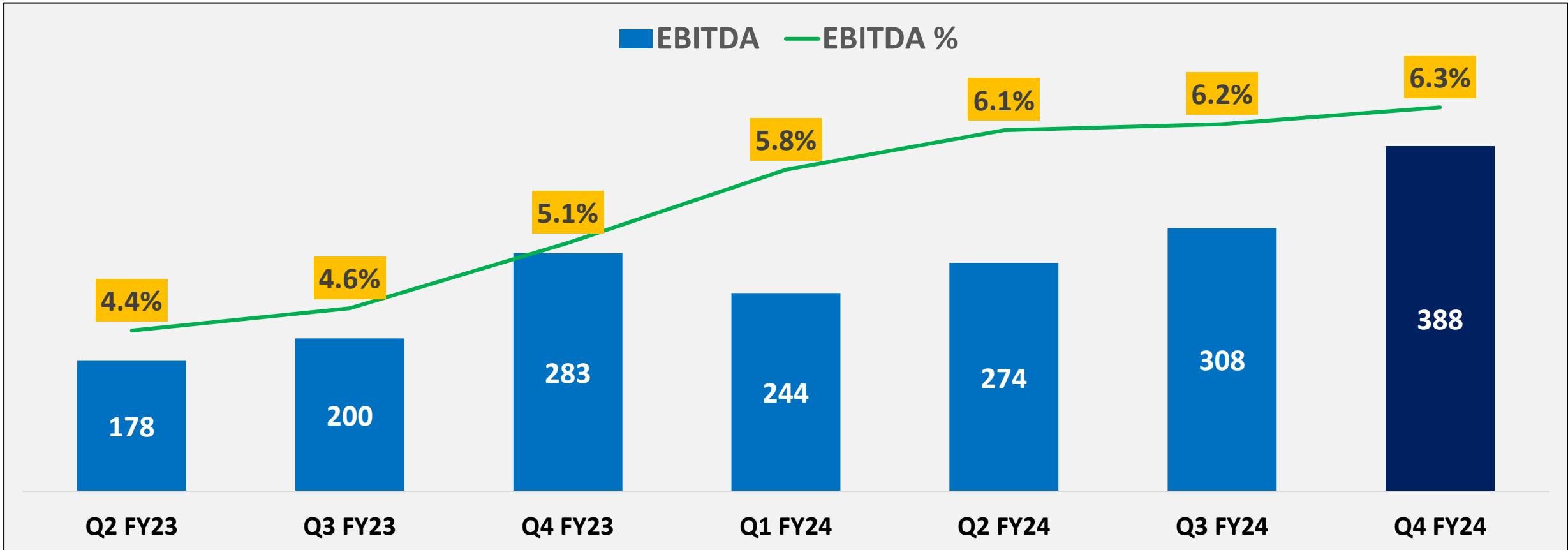
Substation project at Saudi Arabia



Performance Snapshot FY24



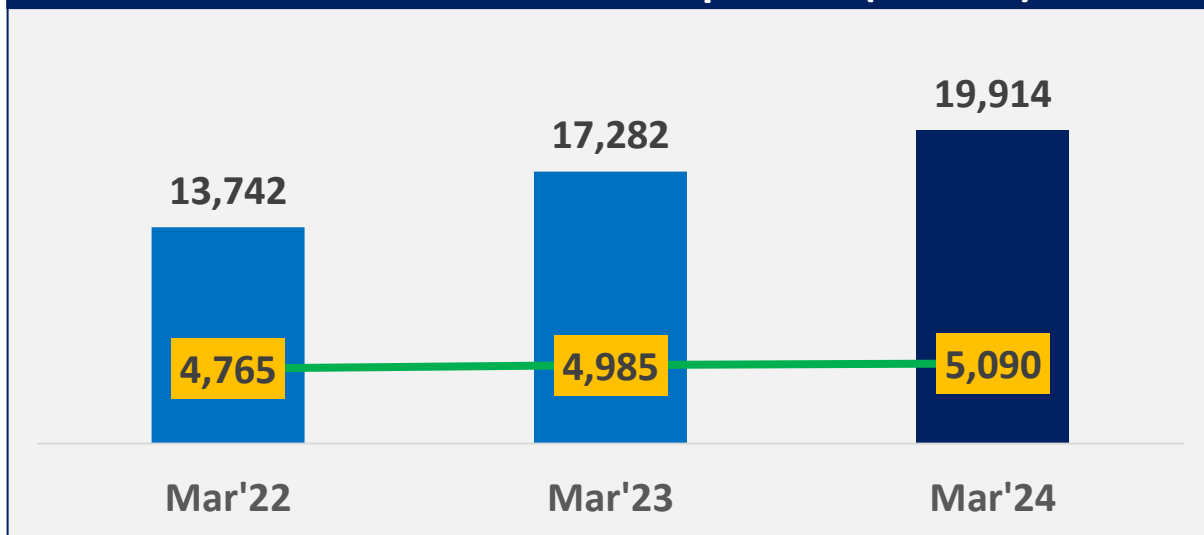
Improving Trajectory of Margins



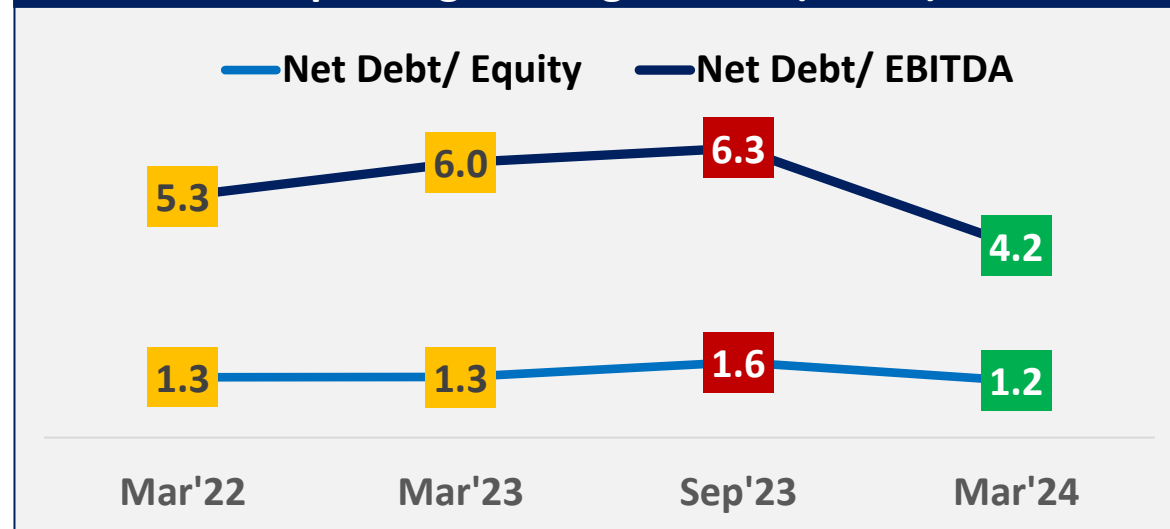
- EBITDA Margins continue to show an improvement over the last six quarters
- EBITDA Margins for Q4 have increased by 120 basis points YoY from 5.1% in Q4 FY23 to 6.3% in Q4 FY24
- EBITDA Margins expected to improve consistently over the next few quarters

Strengthening Balance Sheet

Revenue vs Net Debt Comparison (₹ Crore)

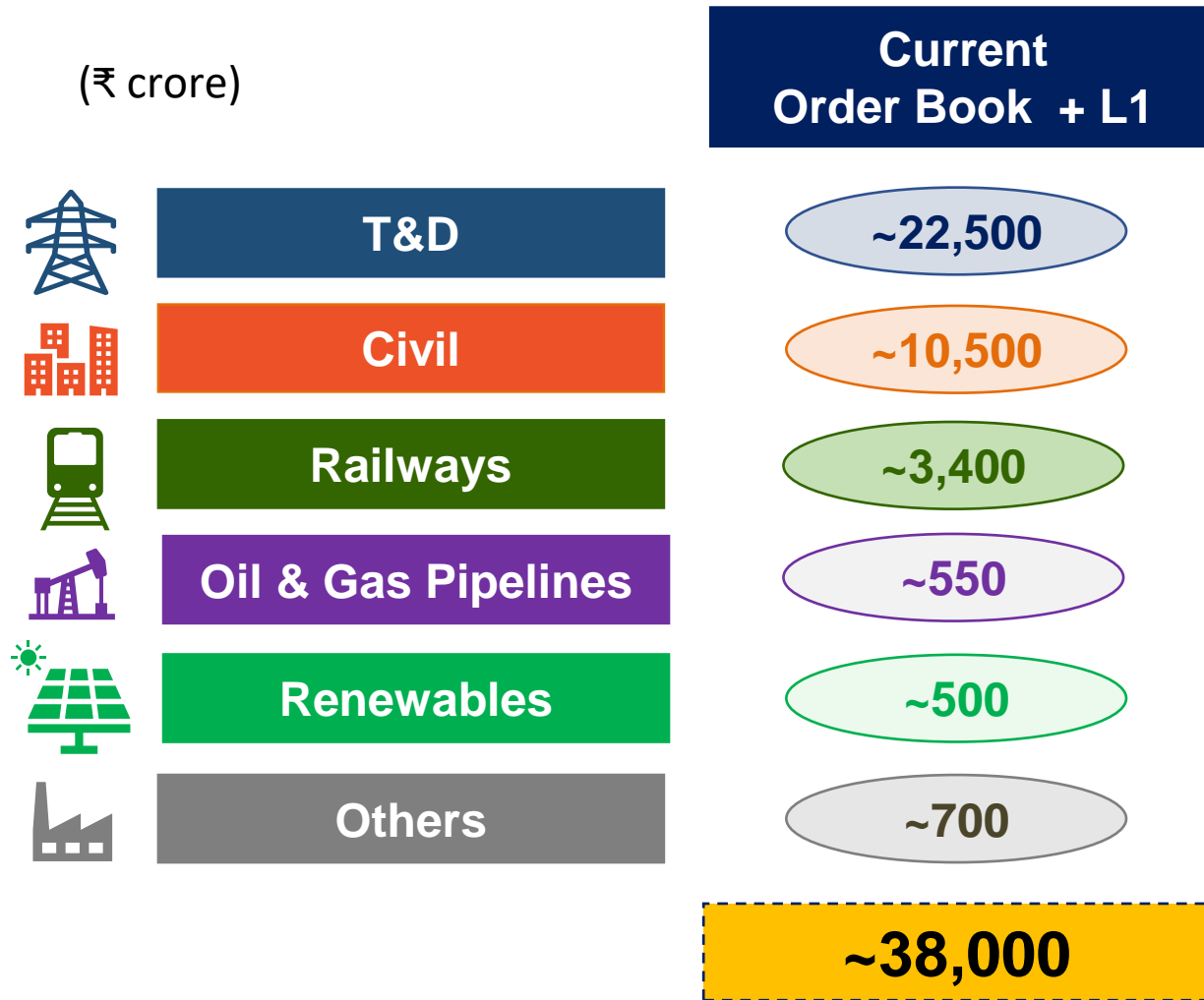


Improving Leverage Ratios (Times)

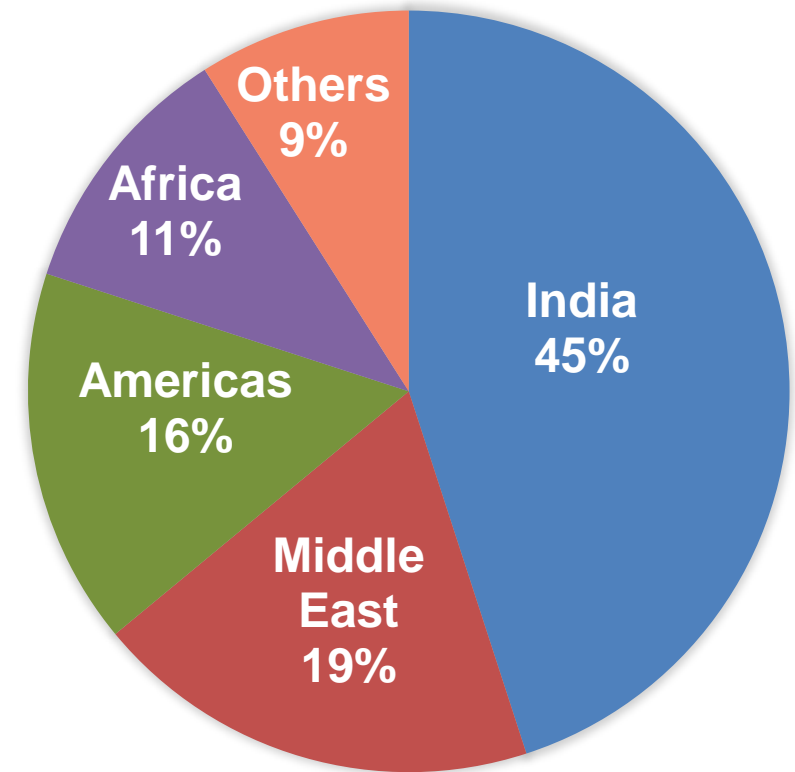


- In the last two years, Revenue has grown by ~1.4 times, however Net Debt level has been maintained at similar level
- Significant Improvement in Leverage Ratios over last few quarters:
 - Net Debt to EBITDA has improved to 4.2 times in Mar'24 from peak level of 6.3 times in Sep'23
 - Net Debt to Equity has improved to 1.2 times in Mar'24 from peak level of 1.6 times in Sep'23
- We expect the Leverage ratios to improve further with our targeted Revenue/ Profitability growth in FY25 with Debt remaining at the current levels

Diversified and Robust Order Book



T&D – Geographical Split



**Current Order Book & L1 of ~Rs. 38,000 Cr
Order Book to Revenue Ratio of 1.9 times**



3

Business Highlights

Industrial project at Chennai, Tamil Nadu

Transmission & Distribution – Towering Results



- Achieved a milestone Revenue of Rs. 10,456 Cr, remarkable growth of 21% YoY
- Strong order inflows of ~Rs. 11,000 Cr across India, Middle East, Americas, SAARC, Africa, East Asia Pacific and CIS
- Record Order Book & L1 of ~Rs. 22,500 Cr to drive sustainable growth
- Overall tender pipeline in T&D is in excess of Rs. 60,000 Cr

Civil – Growth Story Continues



- Delivered an impressive performance for the year with a robust growth of 32% YoY with Revenues of Rs. 4,370 Cr
- Secured order inflows of over Rs. 4,000 Cr. spanning diverse sectors such as FMCG, metals & mining, cement, residential & commercial buildings, public spaces, data centre segments etc.
- Robust and diversified order book of ~Rs. 10,500 Cr

Residential Project in Bangalore, Karnataka

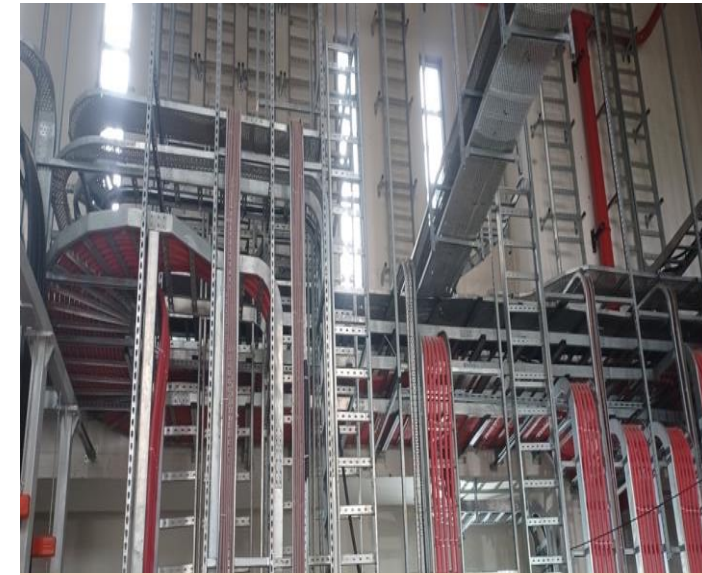
Urban Infra – Driving Urban Happiness



Delhi Metro, DMRC Project



Track works, Mumbai Metro



*Cabling & Ancillary works,
Kolkata Metro*

- KEC is executing 20+ projects in Urban Infra across Delhi, Chennai, Kochi, Mumbai, Kolkata, Patna, Indore and Bangalore, spanning 55 kms of viaduct, 60 stations, 2 depots, 30 kms of track laying, 40 kms of electrification, etc.
- Hon'ble PM, Shri Narendra Modi, inaugurated:
 - The Priority Section, between Sahibabad to Duhai, of India's first RRTS, now renamed as RAPIDX project
 - The Kochi Metro Phase 1B, including a 1.16 km viaduct and Thripunithura Station, built by KEC. Incidentally, the ballastless track works for Kochi Metro was also executed by us
- Trial run of Bhopal Metro Rail was inaugurated by the Chief Minister of Madhya Pradesh, the Bhopal depot built by KEC

Railways – Muted Performance

- Achieved Revenue of Rs. 3,115 Cr. for the year, degrowth of 17%
- Commenced execution for the maiden International project in Bangladesh
- TCAS (Train Collision Avoidance) projects under KAVACH have been commissioned partly
- Margins impacted due to delay in execution on account of various factors - Availability of blocks, design issues, etc.
- Selective approach in order intake considering the increased competition, customer and margin profile/ working capital - Order intake & L1 subdued at ~Rs. 1,500 Cr
- Focus on fast-tracking project closures, releasing working capital & pursuing select opportunities in India as well as International



Speed upgradation project, Vadodara-Godhra (Part of Bombay Delhi section)



KAVACH System



Railway line for Port Connectivity project in Dhamra, Odisha

Oil & Gas Pipelines – Widening Market



- Revenues of Rs. 626 Cr with a growth of 30% YoY
- Forayed into the international market by bagging maiden order in Africa
- Widening Portfolio:
 - Secured two orders in the composite station works
 - Slurry pipelines for iron ore as well as water pipelines
 - Bid for Oil & Gas storage tanks
- Sustained focus on enhancing pre-qualifications to expand the size of addressable market

Pneumatic Testing at Kochi Salem Pipeline Project

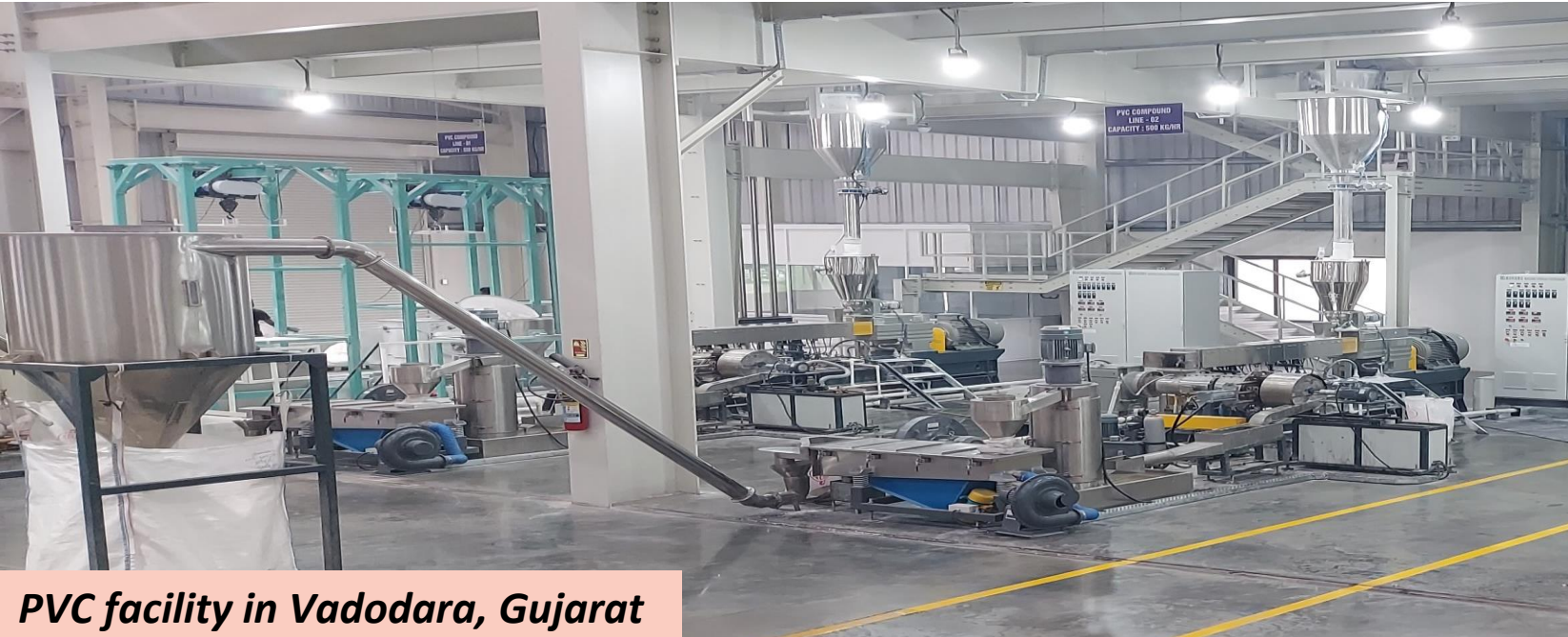
Renewables – Building Capabilities



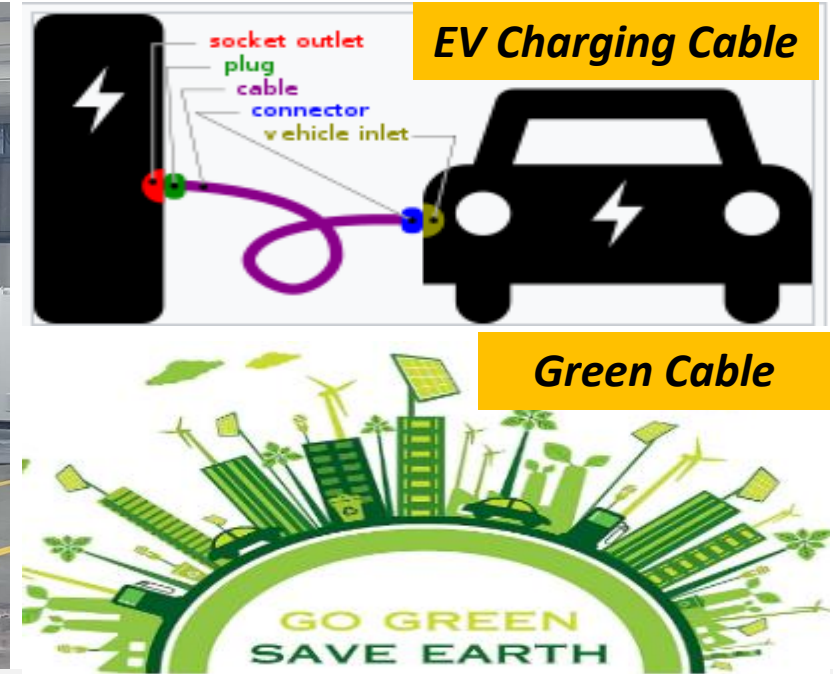
600 MWp Solar project in Karnataka

- Executing KEC's largest solar project of 600 MWp in Karnataka; one of the largest tracker-based project in India
- Secured an order for setting up solar projects from a leading auto-ancillary company in India
- Bidding for select renewable opportunities in line with sustained commitment of the government to promote renewable energy
- Building significant capabilities across Solar, Wind and Green Hydrogen
- Business expected to scale up significantly going forward

Cables – Record Performance



PVC facility in Vadodara, Gujarat



- Delivered an impressive performance with highest ever Revenues, Order Intake and Profitability
- Executed a large transformation program for profitability improvement with a global management consultant
- Strengthening Backward Integration - Commissioned PVC compounding plant at Vadodara to improve profitability
- Establishing fully integrated manufacturing line for Aluminium conductors - already secured orders for supply of power transmission conductors (ACSR and AL-59) from government utility/ private TCB developer
- New Products Developed such as EV Charging Cables, Green Cables (ROHS & REACH complied), Copper Silver Contact Wires, Hybrid Cables, etc.



4

**Way
Forward**

Data Centre Project at Hyderabad, Telangana

Primary Growth Drivers



India T&D

- Sustained focus of the Govt. on renewable energy, integration and grid interconnection/strengthening schemes
- Focus on technology enabled power quality improvement - Emerging opportunities for High voltage substations, digital substations, STATCOM and HVDC



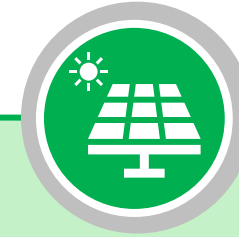
Intl. T&D

- GCC capex momentum continues especially in Saudi Arabia and UAE
- Uptick in tower supply - Americas & Australia
- Large value interconnection projects expected in Africa
- Green shoots visible in CIS market
- Bangladesh expected to improve



Civil

- Real estate boom: Substantial opportunities across residential and commercial
- Increasing allocation for Jal Jeevan Mission (Rural as well as Urban) of Government for water supply
- PLI scheme, China+1 Strategy driving industrial opportunities



Renewables

- India's ambition to achieve 500 GW of renewable energy capacity by 2030
- Market becoming more conducive for EPC players
- Substantial opportunities in Solar, Wind and Green Hydrogen

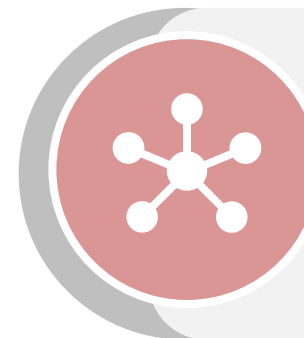
Key Focus Areas



**Capital
Efficiency**



**Profitability
Improvement**



**Adjacent
Growth**



**Execution
Excellence**



**Risk
Management**



**Capability
Development**

- ✓ Record Order Book and L1 Position of ~Rs. 38,000 Cr (Including ~Rs. 22,500 Cr from T&D)
- ✓ Tenders under Evaluation & Tenders in Pipeline of over Rs. 130,000 Cr
- ✓ Confident of Delivering Profitable Growth in the coming quarters



hello happiness