

Date: May 31, 2018

**To,
The General Manager,
The Department of Corporate Relations,
The Bombay Stock Exchange Limited.,
25th Floor, Phiroz Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001**

**To,
The Secretary,
National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai -400 051.**

Dear Sir/Madam.

Sub: – Presentation on Q4 & FY-18 Results to Analysts and Market Reg.,


.....
Please find attached revised presentation to Analysts and Market on Q4 and FY 18 results of the Company.

For your information and necessary dissemination please.

Thanking you,

Yours truly,

For GAYATRI PROJECTS LIMITED


(CS I.V. LAKSHMI)
Company Secretary and Compliance Officer
Membership No. ACS17607.





Gayatri Projects Limited Q4 and FY18 Presentation

Highway to Superior Growth



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FY18 Key Achievements

**Met
Financial
Guidance**



**Restored
Balance
Sheet
Strength**



**Built a
De-risked &
strong Order
book**

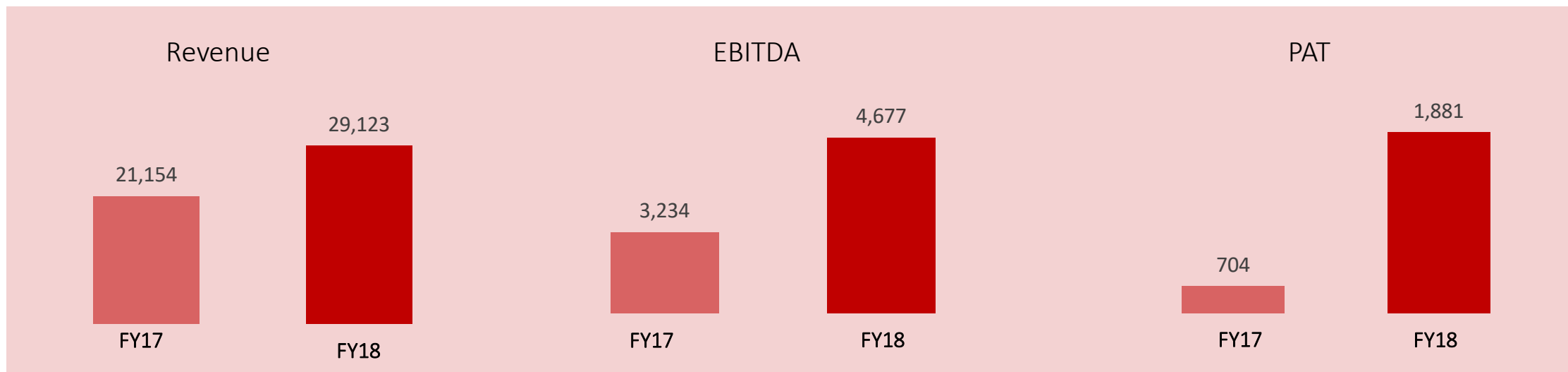


**Delivered on
Business
Restructuring**



Meeting the Guidance Target

| | Guidance | Actual | |
|-----------------|---------------------|-------------------|---|
| Revenue Growth* | c.50% | 38% | |
| EBITDA Margin** | 15% | 16.1% | ✓ |
| PAT | c.INR 1,500 million | INR 1,880 million | ✓ |
| Net Debt/Equity | 2.0x | 1.52x | ✓ |



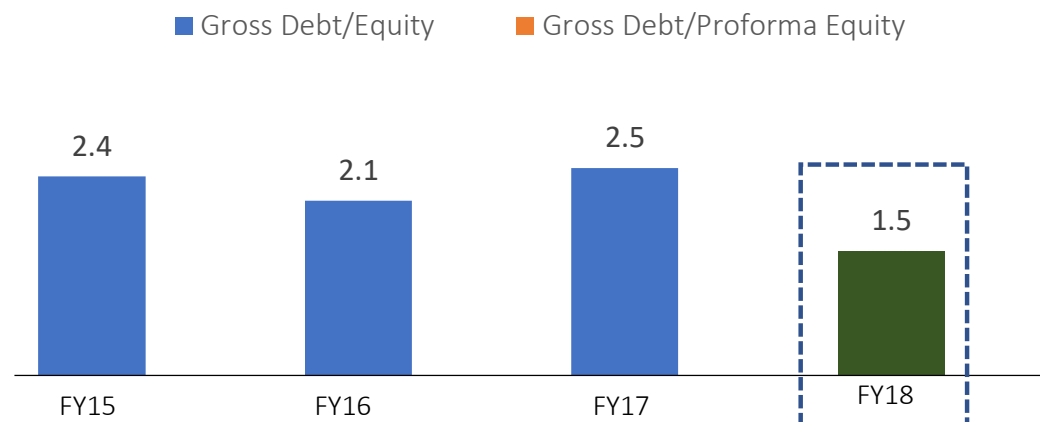
- Adjusted for GST accounting
- ** (Higher on account of GST accounting; Adjusted for that margins 15.6%)

Key Operational Highlights

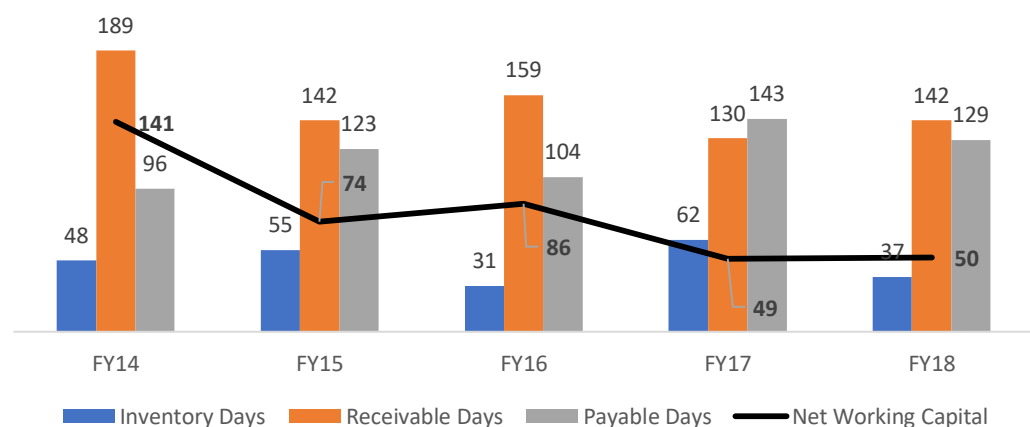
- Executed Eastern Peripheral Expressway in record time
- Selective bidding to maintain high margins given already large order book
 - NHAI ordering skewed towards HAM in last 3-4 mths
 - Very strong bid pipeline – INR 300 bn bids lined up
 - Looking at ways to enter HAM segment without using own balance sheet
- Revenue growth driven by
 - Strong execution in road projects
 - Sluggishness in Andhra/Telangana irrigation projects
 - GST Accounting
- QIP - raised Rs. 200 crore equity
 - D/E bought down to 1.5x through better working capital and capital raise
- Sembcorp Energy India Ltd filed DRHP with SEBI

Restoring Balance Sheet Strength

Net Debt/Equity (x)



Working Capital Cycle

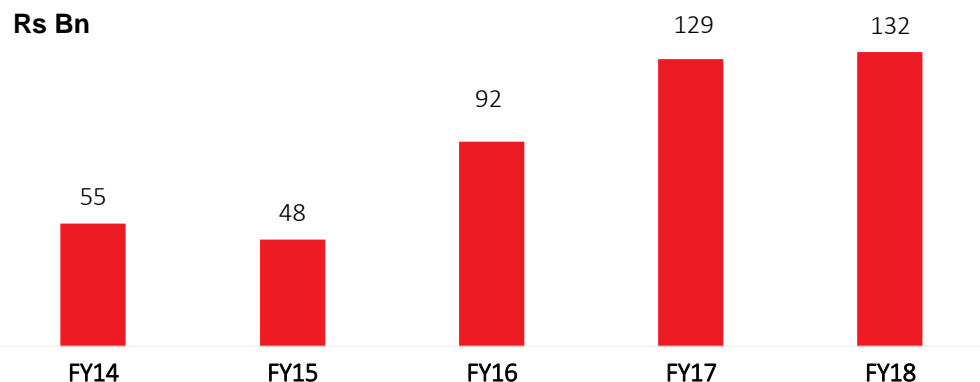


Efficient Working Capital Cycle (INR MN)

| | FY18 |
|--|--------|
| Operating Revenue | 29,123 |
| Inventories | 2,930 |
| Trade Receivables | 11,337 |
| Advances to Suppliers / Sub-Contractors | 7,413 |
| Trade Payables | 8,043 |
| Mobilization Advance | 9,702 |
| Net Working Capital | 3,935 |
| Working Capital Cycle (days of revenues) | 49 |

Built a De-Risked and Strong Order Book

Growth in EPC order book over the last 5 years



Only Pure Play EPC Order Book in peer group



Leading market share of NHAI EPC Orders



High Margin Projects

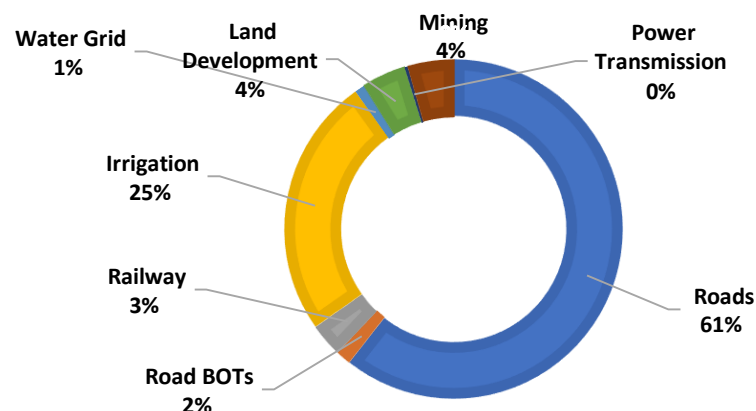


Bid pipeline of INR 300 bn

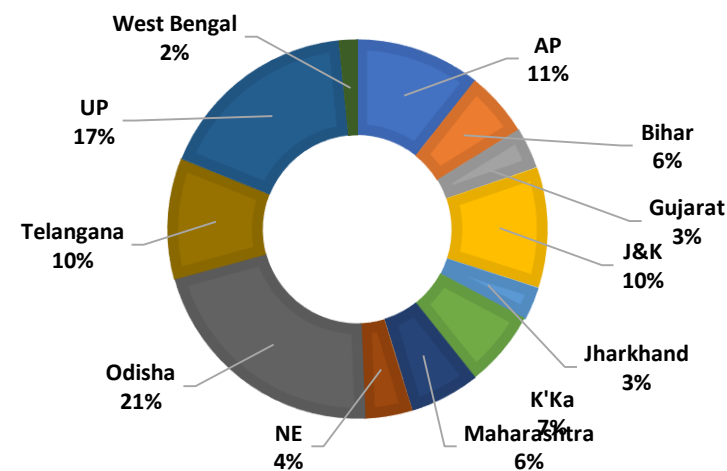


4.5x book to bill supports strong growth potential

Diversified across Segments



Diversified across Regions



Business Restructuring – Monetising Non Core Assets



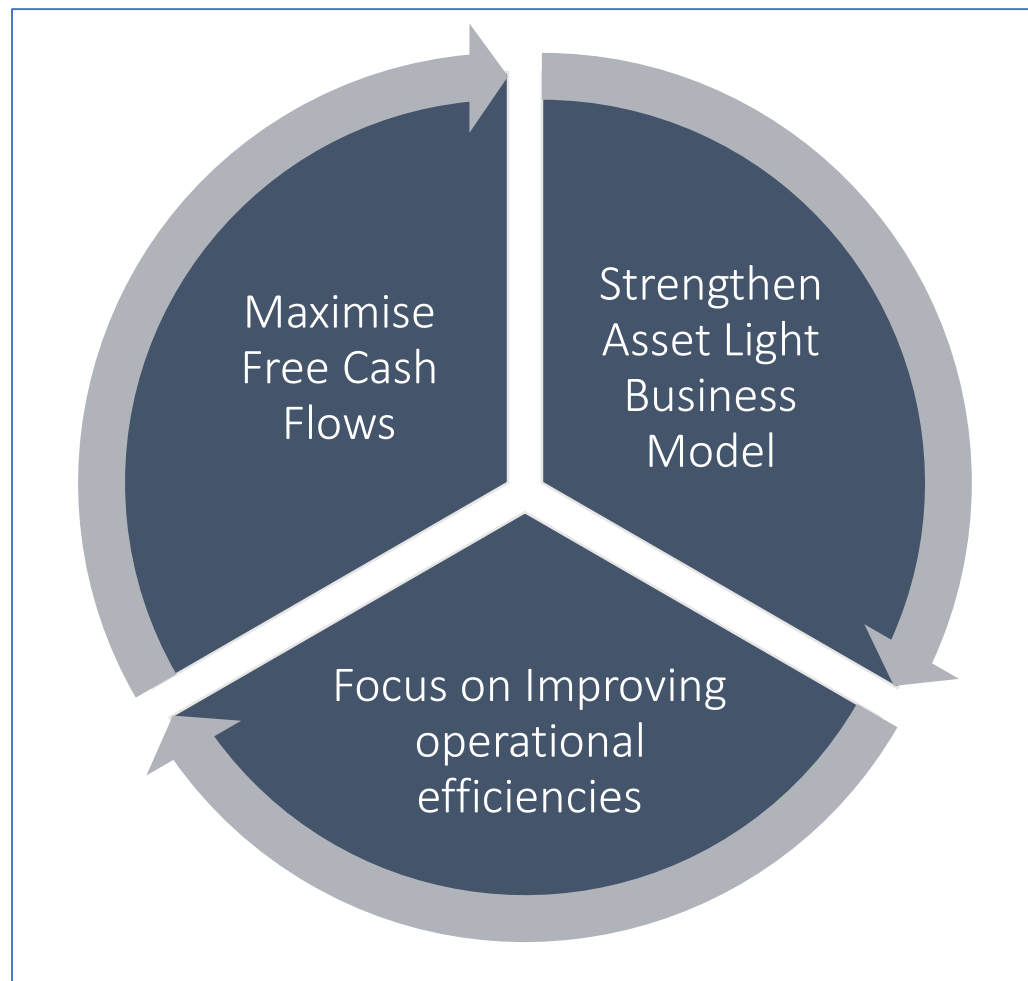
- A diversified portfolio of renewable and non renewable assets of over 4,000 MW
- GPL Currently owns 6.27% stake in the power assets; Option to increase the stake to 12.15% for c.INR 4.5 bn
 - Exploring options to finance through Sembcorp energy share pledge with no recourse to GPL
- SEIL filed a DRHP with SEBI



- Gayatri Highways Demerged
- 74% GHL shares distributed to GPL shareholders in January 2018
- Listing awaiting SEBI approval
- Multiple options to monetise the stake

FY19 Strategic Priorities and Guidance

Strategic Priorities



Strong Order Inflows...

- FY19 New Order Intake of INR 60 bn+
- Book to Bill to be maintained at c.3.5-4x



...Translating into Higher Growth...

FY19 Guidance

| | |
|----------------|------------------------------------|
| Revenue Growth | 30%+ |
| EBITDA Margin | 16%+ |
| PAT Growth | >50%+ (High Financial Leverage) |



...Will Create Superior Shareholder Value

Well Positioned for Superior Growth



A Pure Play EPC Company



Well Positioned on a Strong Growth Trajectory



Diversified and De-Risked EPC Order Book



Digital Project Management Led Efficient Execution



Delivering Strong Financial Performance



Strengthening Balance Sheet

Consolidated Performance



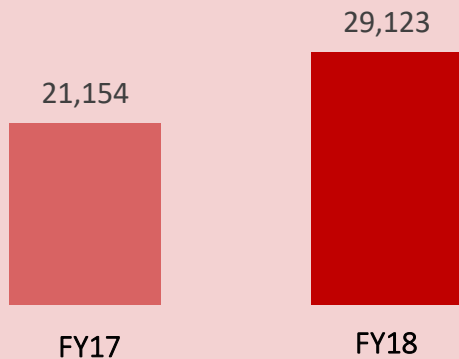
Q4 and FY18



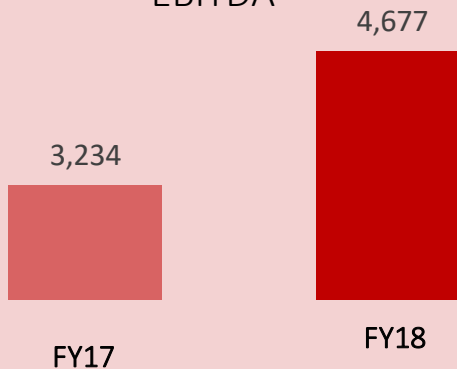
Strong Financial Performance

FY2018

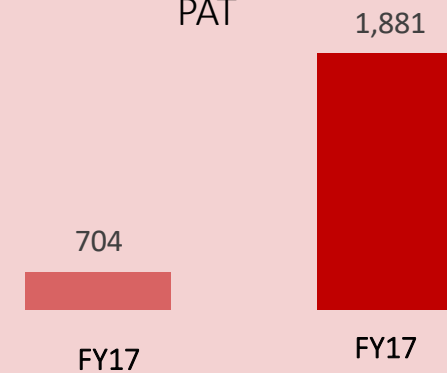
Revenue



EBITDA

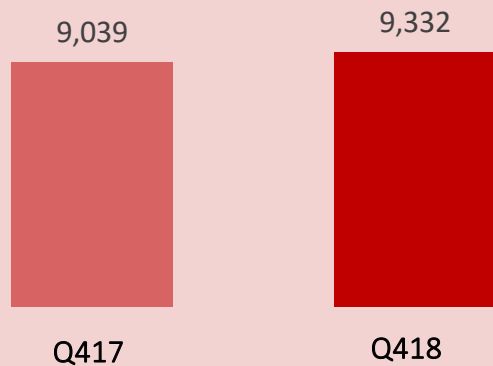


PAT

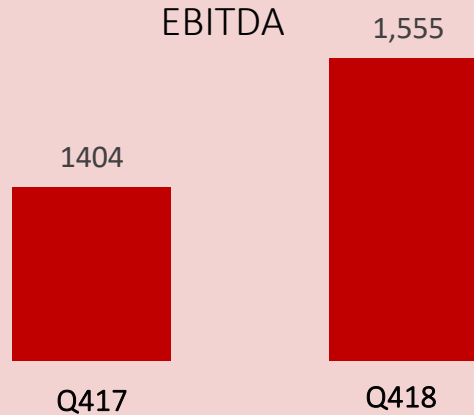


Q4FY2018

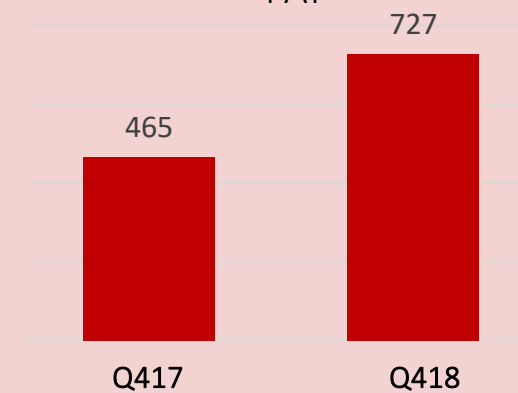
Revenue



EBITDA



PAT

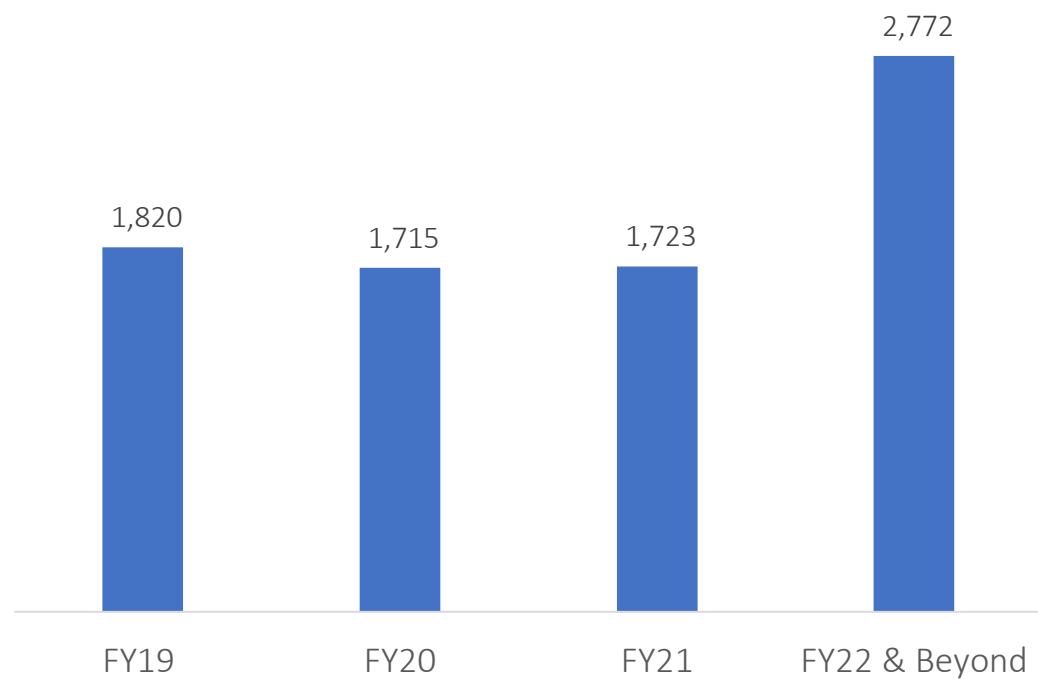


Financial Performance

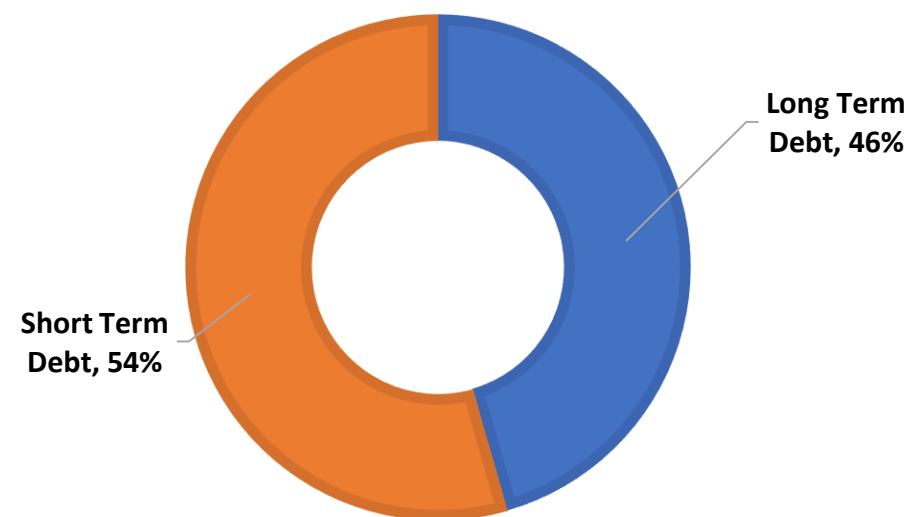
| INR Mn | FY2018 | FY2017 | Change (%) | INR Mn | Q4FY2018 | Q4FY2017 | Change (%) |
|------------------------|--------|--------|------------|------------------------|----------|----------|------------|
| Revenue | 29,123 | 21,154 | 38% | Revenue | 9,332 | 9,039 | 3% |
| Expense | 27,387 | 20,365 | 34% | Expense | 8,571 | 8,454 | 1% |
| EBITDA | 4,677 | 3,234 | 45% | EBITDA | 1,555 | 1,404 | 11% |
| <i>EBITDA Margin %</i> | 16% | 15% | 7% | <i>EBITDA Margin %</i> | 17% | 16% | 7% |
| Interest | 2,394 | 2,014 | 19% | Interest | 638 | 691 | -8% |
| Depreciation | 547 | 432 | 27% | Depreciation | 156 | 129 | 21% |
| Other Income | 89 | 306 | - | Other Income | (42) | 44.846 | - |
| PBT | 1,825 | 1,095 | 67% | PBT | 719 | 629 | 14% |
| Tax | (55) | 237 | - | Tax | (9) | 164 | - |
| PAT | 1,881 | 704 | 167% | PAT | 727 | 465 | 56% |
| EPS | 11 | 4 | 165% | EPS | 4.1 | 2.63 | 56% |

Debt Maturity Profile

Debt Maturity Profile (INR MN)



Debt Profile
Total Debt – INR 17,016 Mn



Summary



Our Strategy – Focusing on ‘Asset Light’ EPC segment

Asset light EPC model

- 🔥 Pure EPC company with **no BOT/ HAM**
- 🔥 Exposure to diversified sectors
- 🔥 Deleverage balance sheet to improve returns - monetizing legacy BOT assets
- 🔥 Focus on cash flow generation

Explore new opportunities in EPC

- 🔥 Further enhance engineering capabilities in order to pursue new EPC contracts
- 🔥 Enter specialized sectors with low competition and high margins
- 🔥 Opportunity includes underground mining, water supply, lift-irrigation, high speed railways, urban infrastructure, pre-fab buildings etc.



Grow presence in core EPC segments

- 🔥 Actively bid for quality projects in core areas of expertise- roads, irrigation, industrials
- 🔥 Maintain a healthy book to bill ratio
- 🔥 Adhere to geographical cluster approach while bidding for projects to optimize management & equipment utilization and maximize profitability

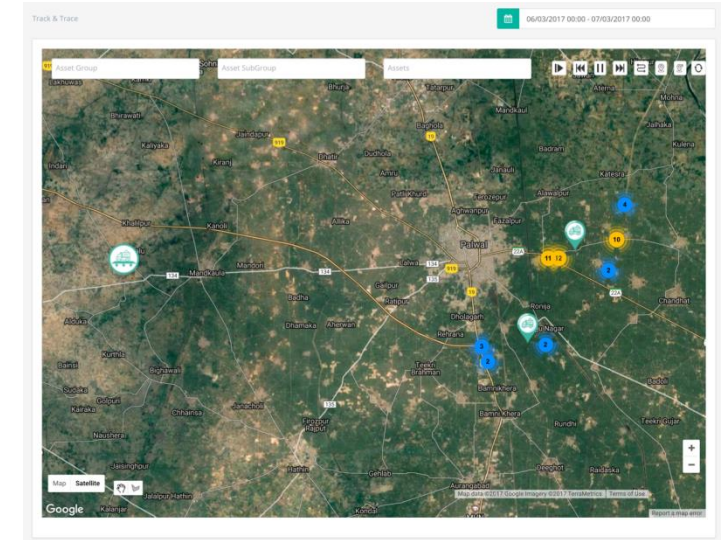
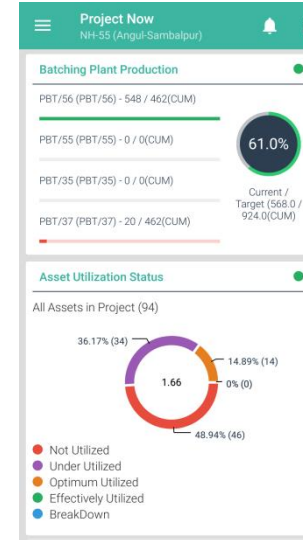
Focus on driving operational performance and execution efficiency

- 🔥 Integrate best practices from different sectors to improve performance and project execution
- 🔥 Utilize advanced technologies, designs, engineering and project management tools in order to increase productivity

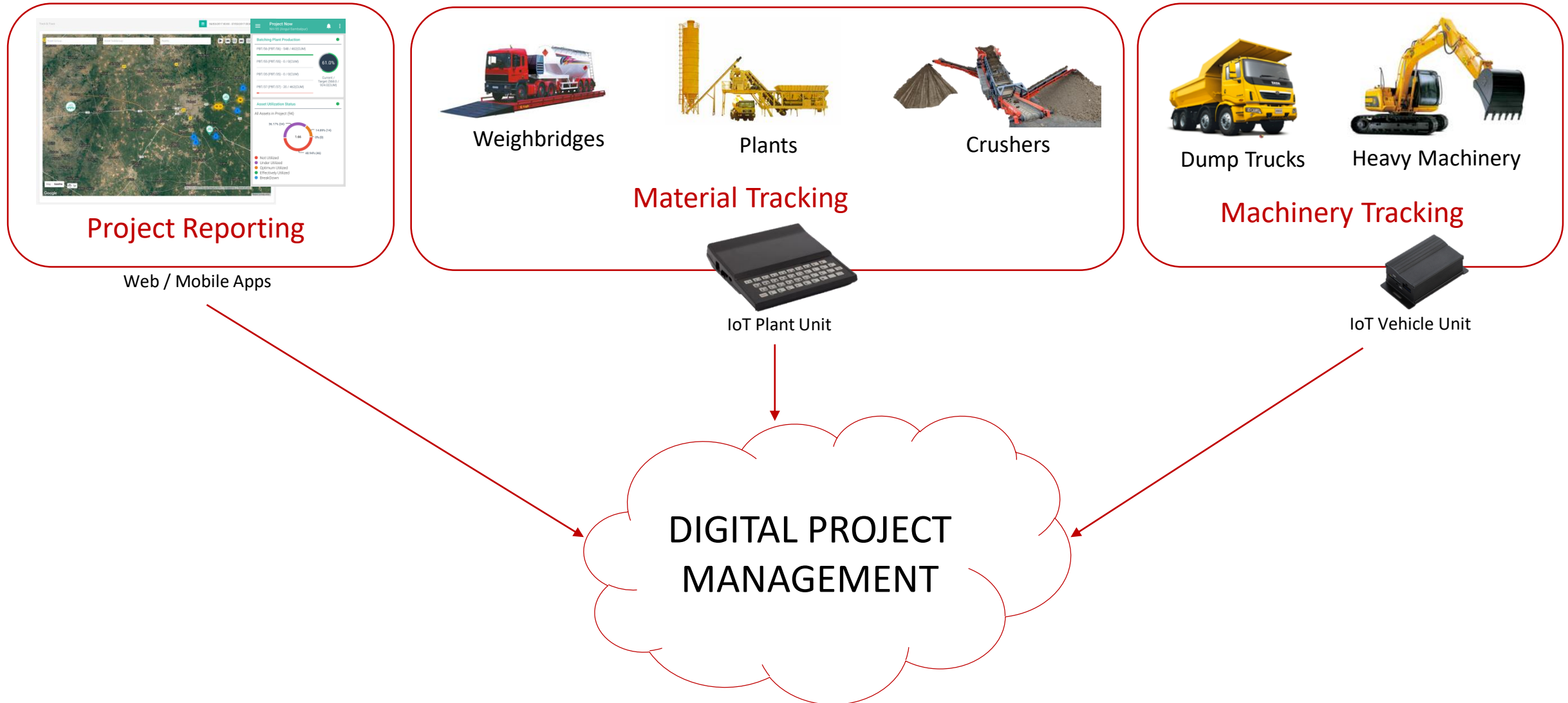
Strengthen IT systems and other internal processes to reduce manual intervention

Technology-Driven Execution

- Gayatri aims to be a Digital Pioneer in the construction industry
- Leveraging cutting-edge technologies like IoT (Internet-of-Things), computer-vision, UAVs, cloud-computing etc.
- Real-time tracking and reconciliation of project costs
- Optimized utilization of plants, machinery and equipment
- Improved work-planning





Digital Project Management



Our Competitive Strengths



-  1 Established track record in executing different types of construction and EPC projects
-  2 Diversified and robust growing order book
-  3 Strong in-house designing and engineering capabilities complemented by state of art fleet of construction equipment
-  4 Significant Bank Guarantee (BG) capacity to ramp-up business
-  5 Experienced management team with proven execution capabilities

Appendix



EPC - Roads

Current Projects

- Eastern Peripheral Expressway
 - Six Lane Expressway
- 4 National Highways around Varanasi
 - 270km total length
- Angul-Sambalpur Highway
- Many others projects across states such as Uttar Pradesh, Orissa, Bihar, Mizoram, Chhattisgarh, Andhra Pradesh etc.



Among Top Highway Builders in India

Completed Projects

- 6154 Lane-Km of national highways
- Expertise in both Asphalt and Concrete pavements
- Notable projects:
 - Hyderabad Outer Ring-road
 - Eight Lane Expressway
 - Clover-leaf interchanges
 - Calicut Airport Runway



EPC - Irrigation

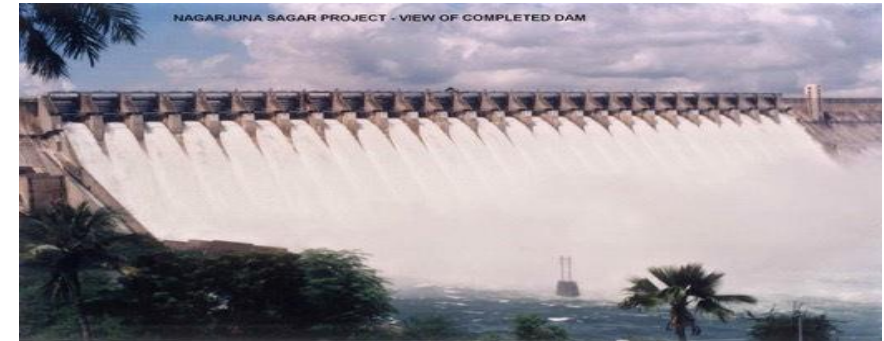
Current Projects

- Velugonda Project
 - 63m Concrete Dam
- Kempwad Lift Irrigation, Karnataka
- Kaleshwaram Project – 50 TMC reservoir
- Chintalapudi Lift Irrigation Project
- Many other dams, canals, lift irrigation and dredging projects



Completed Projects

- Nagarjuna Sagar Project
 - Awarded Gold Medal from Prime Minister
 - World's largest Masonry Dam
- Kanithi Balancing Reservoir
- Narmada Main Canal
- Indira Sagar Main Canal
- Khudri Barrage



EPC - Mining

Pioneer in advanced underground mining in India

Current Clients



Both projects being executed under the **MDO (Mine-Developer-Operator)** model

No risks related to off-take and coal prices

Technology

Entered into a partnership with China Coal Overseas Development Company, a Beijing-based subsidiary of China Coal, to offer Longwall technology for mining to maximize coal extraction and minimize human risk



Huge opportunity for Mining EPC Players as Coal India targets 100mt of coal production from underground mines (from 3mt)

EPC - Industrial



EPC - Others

Notable Projects

- Land Development of Navi Mumbai International Airport
- Iqbalgarh Vadodara Section of Western Dedicated Freight Corridor (DFC)
- Water Distribution Network at Aizwal
- Kakinada Port – Approach berths
- Park Hyatt Hyderabad
 - 5-Star Deluxe Luxury Hotel
- Other malls and commercial buildings
- Sugar and Starch Factories



Board of directors

T. Indira Subbarami Reddy

Promoter and Non-Executive Chairperson, over 25 years of experience in the construction industry

T. V. Sandeep Kumar Reddy

Promoter and Managing Director, 20+ years of construction experience

J Brij Mohan Reddy

Executive Vice Chairman, Over 49 years of experience in Heavy Engineering Construction and the harbour engineering industries

Dr. V L Moorthy

Non-Executive and Independent Director, 42 years of experience in paper and pulp industry

G. Siva Kumar Reddy

Non-Executive and Independent Director, Over 28 years of relevant experience

Mr. Birendra Kumar

Non-Executive and Nominee Director (Bank of Baroda)

Mr. J.N.Karamchetti

Non-Executive and Independent Director, rich experience in the field of engineering and steel

Mr. Ch. Hari Vittal Rao

Non-Executive and Independent Director, 49 years of experience as a banker and was employed with Bank of Baroda and Naandi Foundation in the past

Key management personnel

Mr. T. V. Sandeep Kumar Reddy
Managing Director

Presently leads the Gayatri Group. He has done his Masters in Construction Engineering and Management from the University of Michigan, USA and also holds a Bachelor's Degree in Civil Engineering from Purdue University, USA.

Mr. P Sreedhar Babu,
Chief Finance Officer

Mr Babu is a Fellow Member of Institute of Chartered Accountants of India. He started his career as a Practicing Chartered Accountant in 1987 and after 18 years of practice joined GPL in 2005 as a Vice-President (Finance).

Mr. J. Brij Mohan Reddy
Vice Chairman

Has been with the Group since 1989. He is an Engineering Graduate from Berkley University, USA. He was responsible for the construction of the entire Fisheries Harbour at Chennai and a major portion of the Mechanised ORE-handling Project for the Chennai Port Trust.

Mrs. I V Lakshmi
Group Company Secretary & Chief Compliance Officer

Ms. Lakshmi is a Company Secretary & Compliance Officer is a Graduated from Andhra University, LLB from Osmania University, CAIIB from Indian Institute of Bankers and Associate Member of Institute of Company Secretaries of India. She has an experience of 15 plus years in the field of Secretarial and Legal.

Key milestones

- 🔥 Founded by Dr. T Subbarami Reddy in 1963
- 🔥 Initially started off with irrigation and earth-works
- 🔥 Led by T Sandeep Reddy from 1990
- 🔥 Diversified into roadworks and other forms of EPC in 1990
- 🔥 Started developing PPP highway projects in 2006
- 🔥 Started developing power plants in 2010



Glorious
Years



Contact Details

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