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## Investor Presentation

Financial Results: Q2'FY21 & H1'FY21

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Date: 10<sup>th</sup> November 2020

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## I. Financial Performance – Q2'FY21

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# On the road to Recovery (Q1FY21 to Q2FY21)

1 >

Revenue momentum picking up amid supply chain disruptions

2 >

Order book at new high of ₹ 6661 crore

3 >

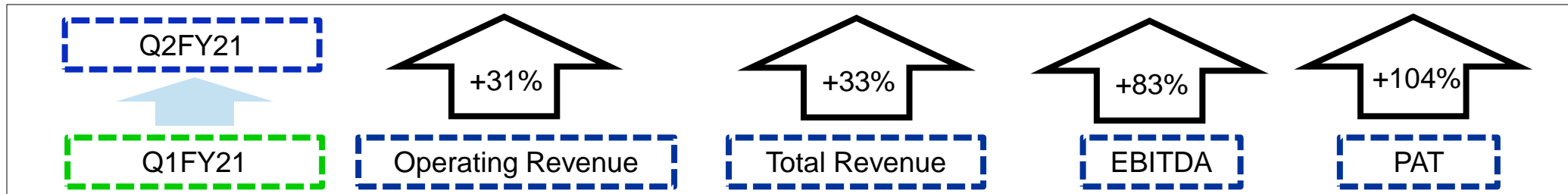
Secured more than 60 new projects, including extensions, of ₹ 948 crore during quarter

4 >

Secured first order for locomotive leasing to a fertilizer plant

5 >

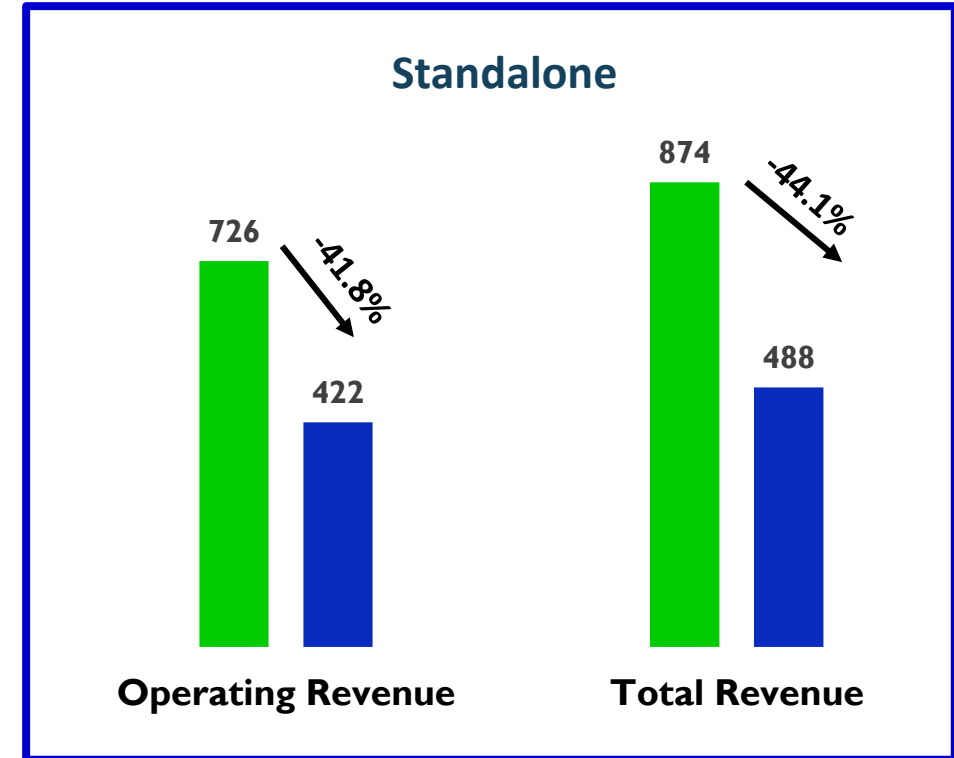
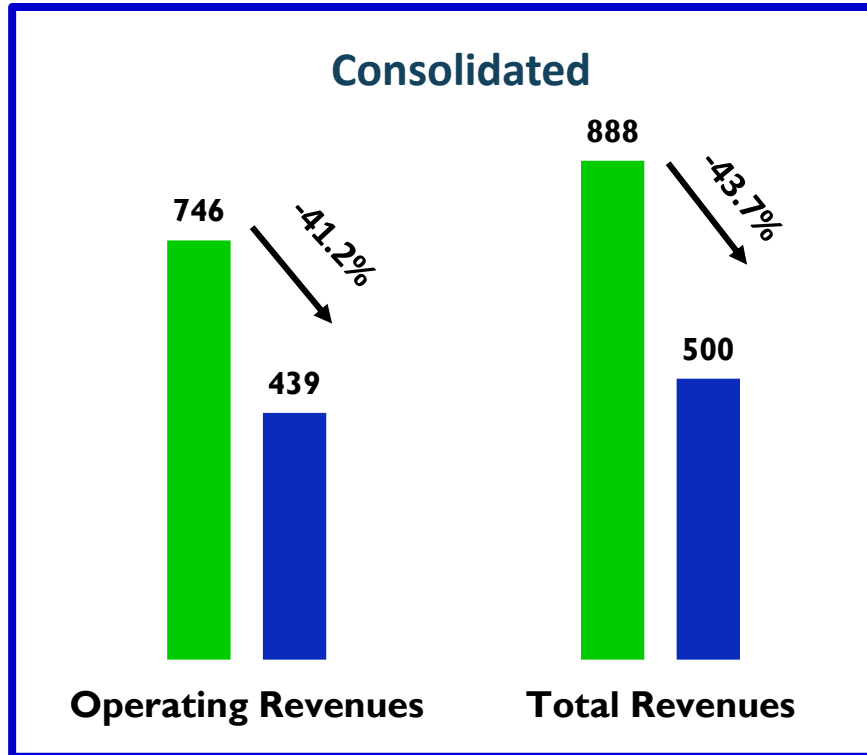
Capital expenditure for large projects has started picking up





# Performance in Q2FY21

₹ in Crore



Decrease in revenue is mainly due to

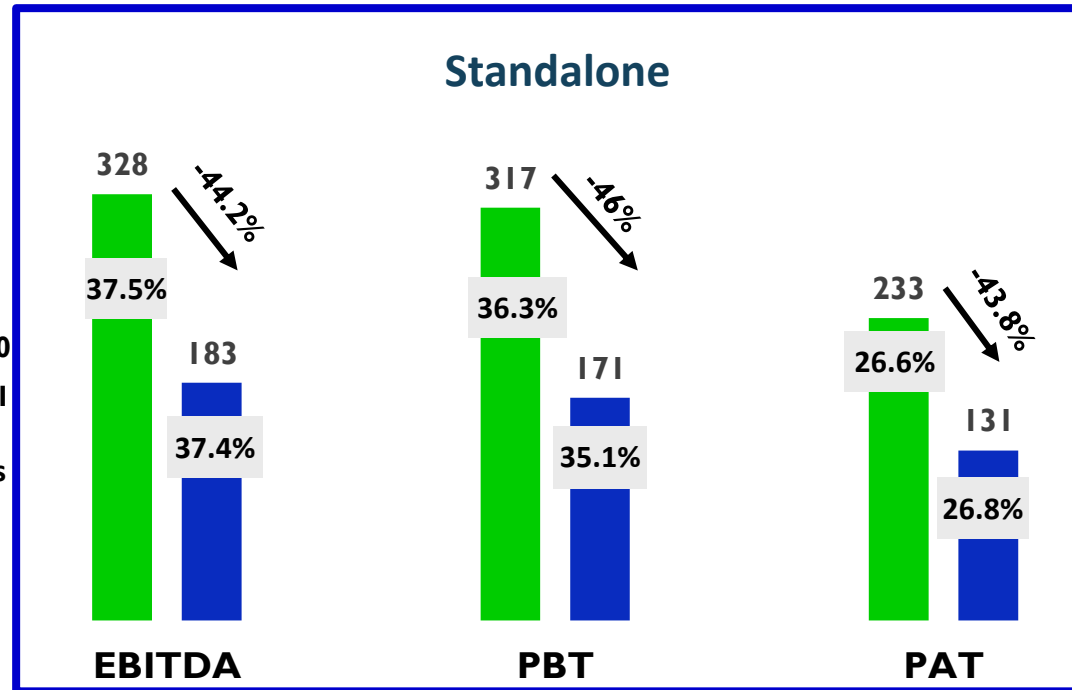
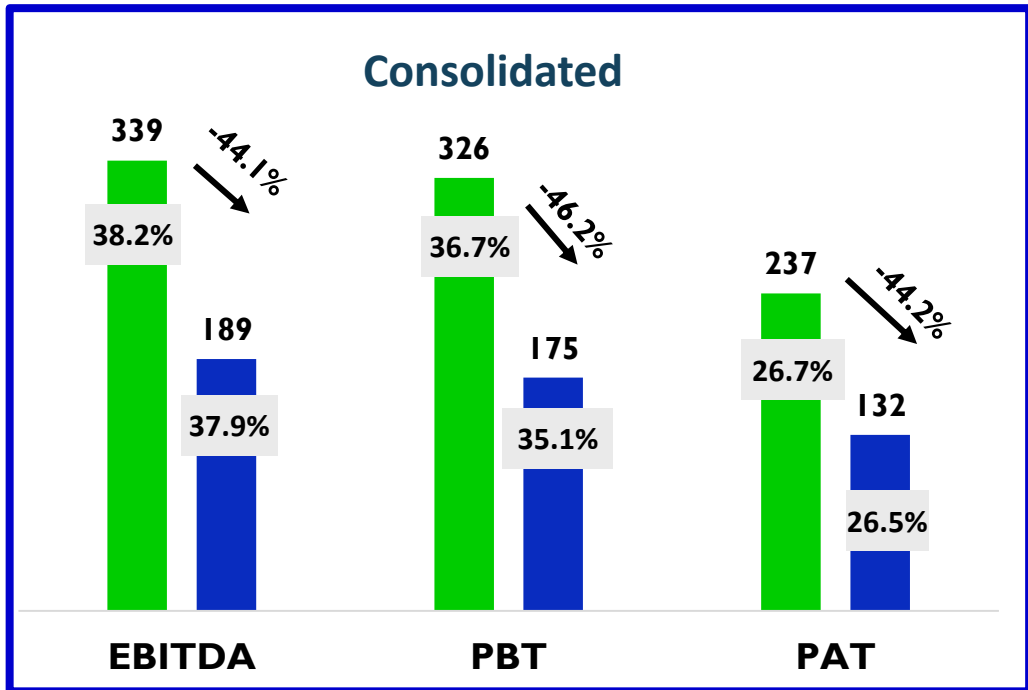
- Export deliveries not scheduled during this quarter (approx impact of ₹262 crore)
- Disruptions in supply chain and restrictions imposed due to pandemic
- Receipt of final settlement amount ₹91 crore from a foreign client during Q2FY20

Excluding exports, the YoY fall in operating revenue is 9%



# Q2FY21 - Profits with Sustained Margins

₹ in Crore



■ Q2'FY20  
■ Q2'FY21  
■ Margins

Significant improvement in performance over Q1FY21 with ease of restrictions

Sustained margins due to cost reduction measures, despite reduction in revenues

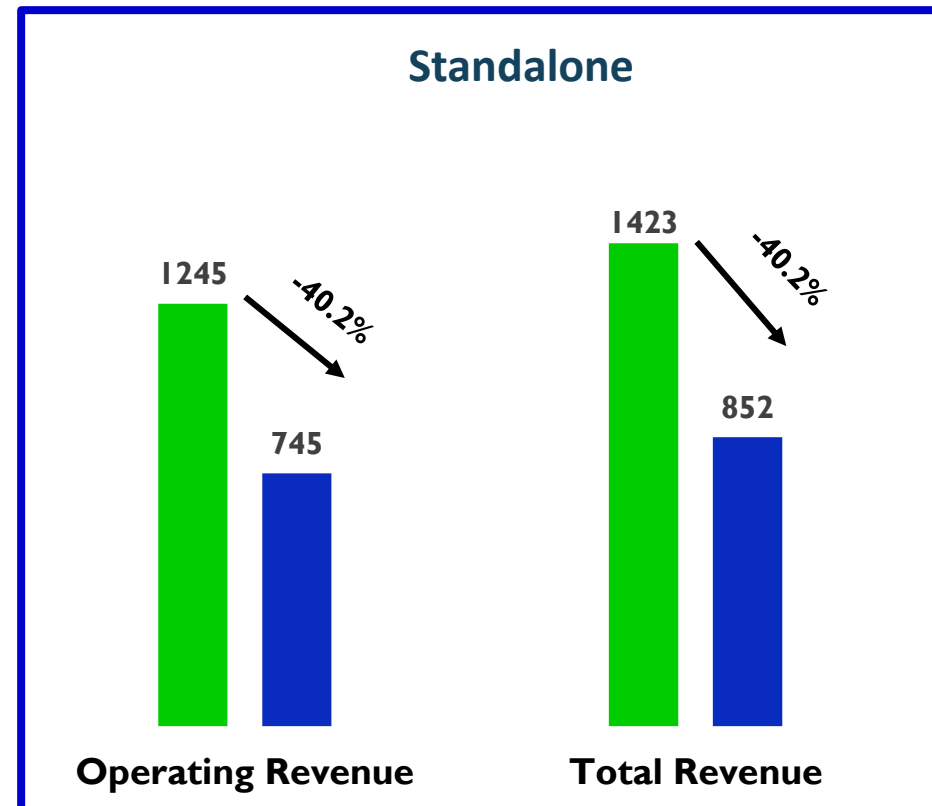
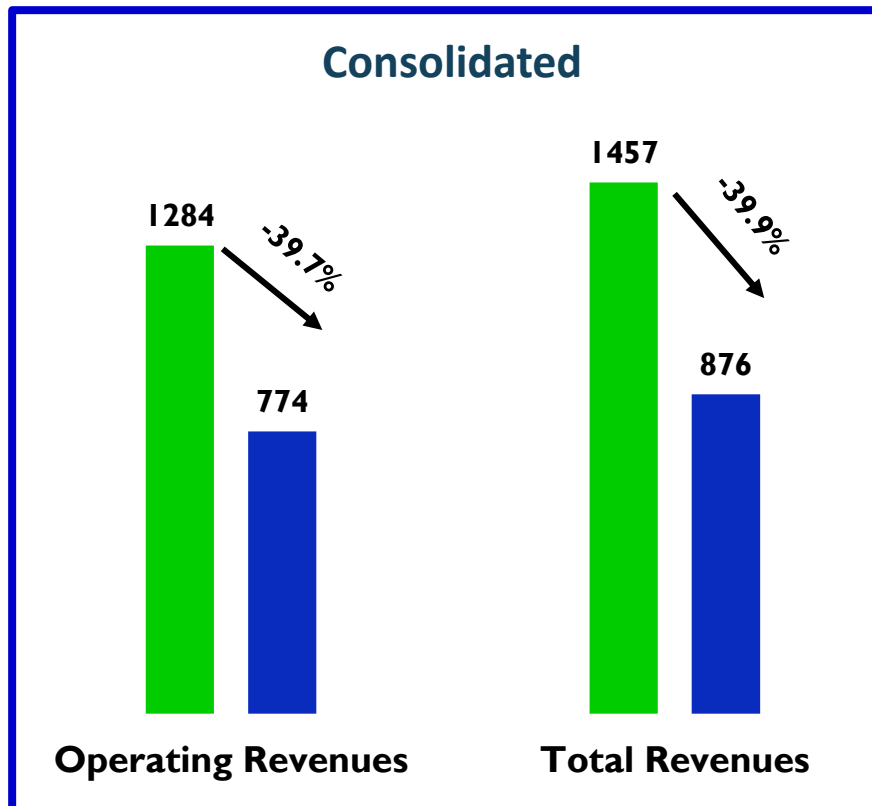
Rationalisation of manpower resulted in reduction of manpower cost by 7.1% on YoY basis

\*EBITDA = PBT + Interest + Depreciation + Amortization



# Challenging H1FY21

₹ in Crore



Decrease in revenue is mainly due to

- Export deliveries not scheduled for Q2FY21 (approx impact of ₹390 crore)
- Disruptions in supply chain and restrictions imposed due to pandemic
- Receipt of final settlement amount ₹91 crore from a foreign client during Q2FY20

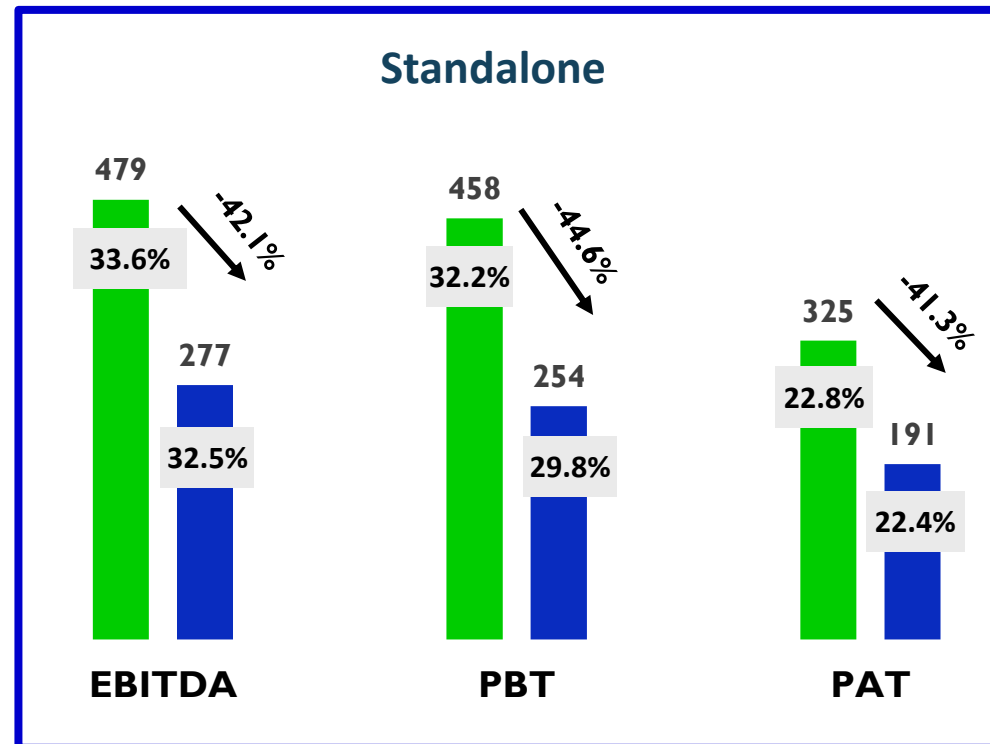
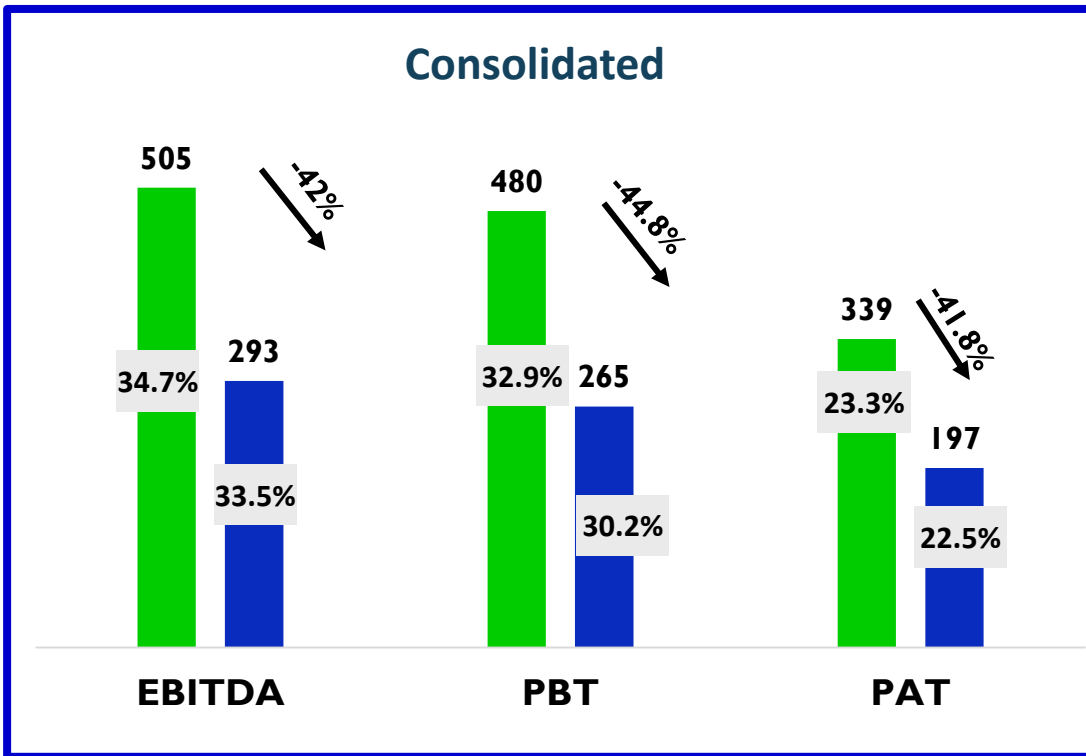
Excluding exports, the YoY fall in operating revenue is 13%





# H1FY21 – Profits with Sustained Margins

₹ in Crore



Sustained margins due to cost reduction measures, despite reduction in revenues

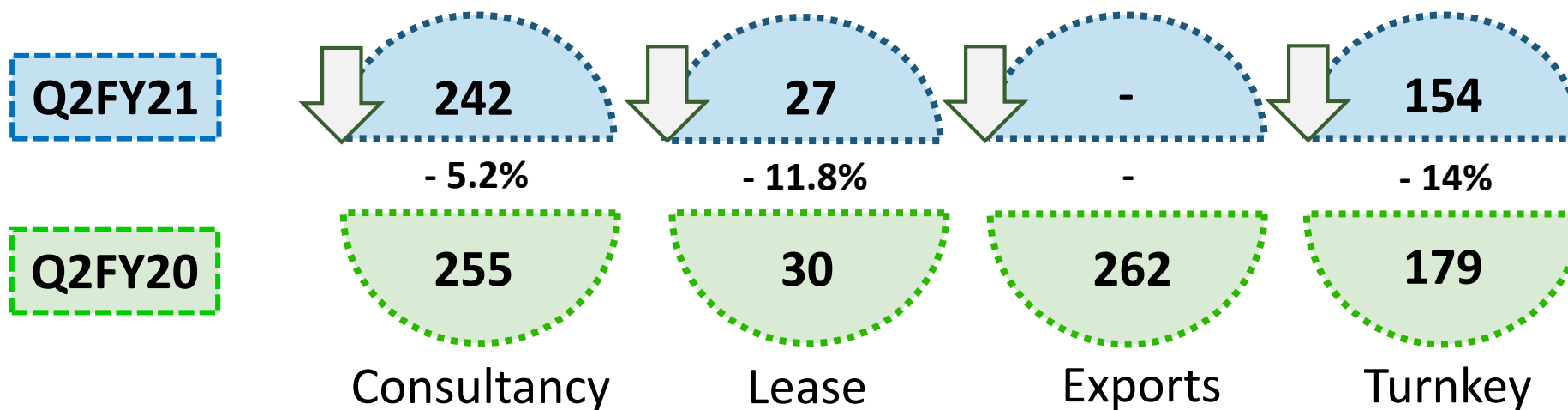
Employee cost was reduced by 8.4% on YoY basis

\*EBITDA = PBT + Interest + Depreciation + Amortization



# Segmental Revenue (Standalone)

₹ in Crore



31%, 13% and 35% growth in revenue from Consultancy, Leasing & Turnkey, respectively over Q1FY21

No exports were scheduled for Q2FY21. Exports are scheduled for H2FY21

Leasing business affected due to stalled works at certain sites, ports etc. during lockdown



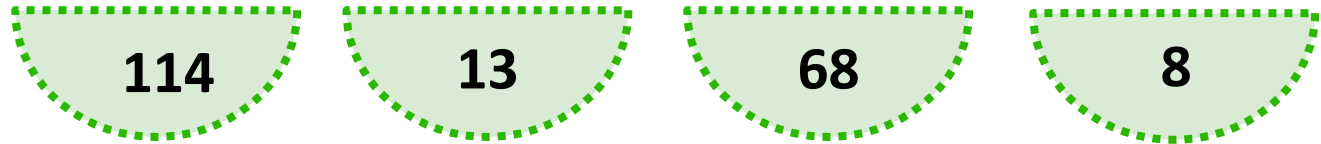
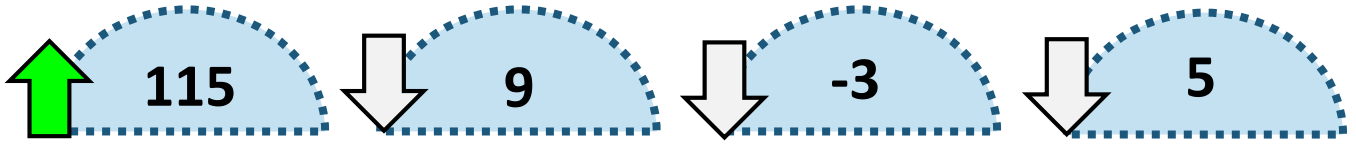
# Segmental Profitability

₹ in Crore

|                |       |       |      |      |
|----------------|-------|-------|------|------|
| Profit Margins | 47.4% | 32.3% | ---- | 3.6% |
|----------------|-------|-------|------|------|

Q2FY21

Gross Profits



Consultancy

Leasing

Exports

Turnkey

|                |       |       |       |      |
|----------------|-------|-------|-------|------|
| Profit Margins | 44.5% | 42.3% | 26.1% | 4.2% |
|----------------|-------|-------|-------|------|

40%, 19% and 8% increase in gross profit from Consultancy, Leasing & Turnkey, respectively over Q1FY21

Cost control measures helped in sustaining consultancy & turnkey margins

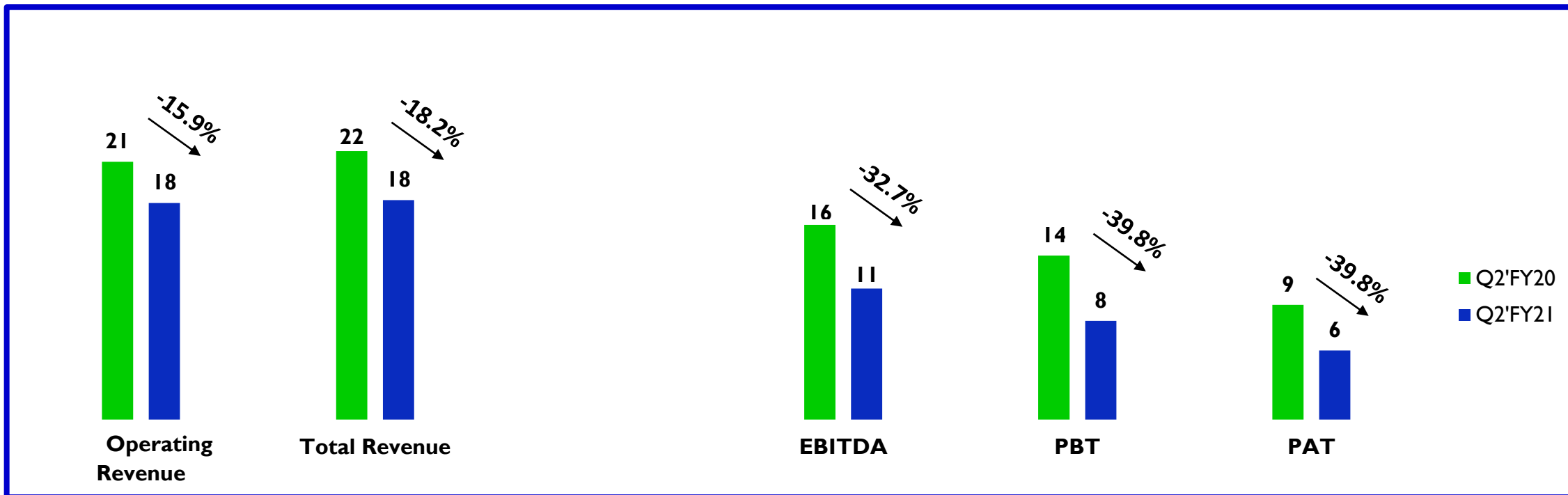
Leasing margins got impacted due to depreciation on locomotives,

\*Gross profits does not include Rs. 21 crore of unallocable expenses



# REMC Ltd Performance in Q2FY21

₹ in Crore



23%, 19% and 25% increase in Revenue, EBITDA and Profits respectively over Q1FY21

Consultancy revenue got impacted due to less traction power requirement by Railways but 30% higher over Q1FY21

Power generation through wind mill continued and resulted in growth of 17% over Q2FY20



# Employee Productivity



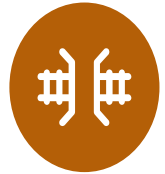
Continuous rationalization of manpower to improve productivity



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



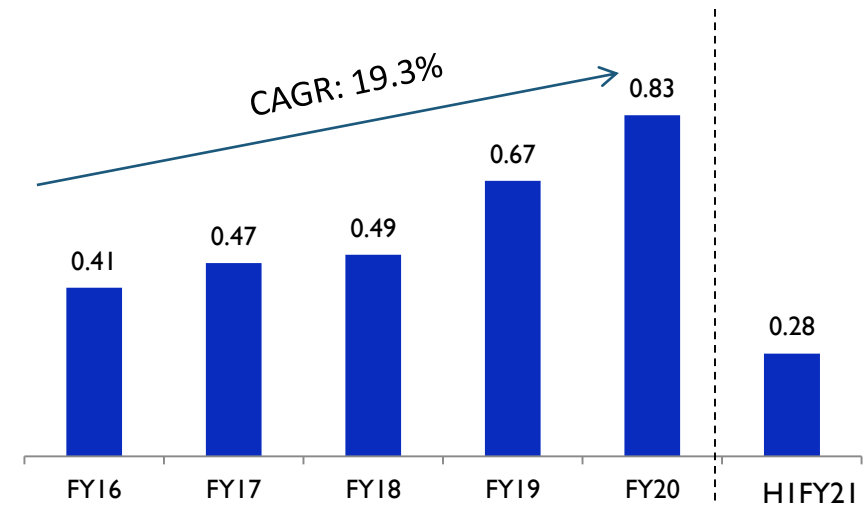
Experts in Engineering, Science, Finance, Economics etc. with a mix of regular, deputationists and contract employees



Approx 1,500 regular skilled engineers/professionals

₹ in Crore

## REVENUE PER EMPLOYEE (STANDALONE)



| Status     | No. of Employees |            |
|------------|------------------|------------|
|            | 30.09.2019       | 30.09.2020 |
| Regular    | 1976             | 1943       |
| Deputation | 169              | 139        |
| Contract   | 1158             | 940        |
| Total      | 3303             | 3022       |



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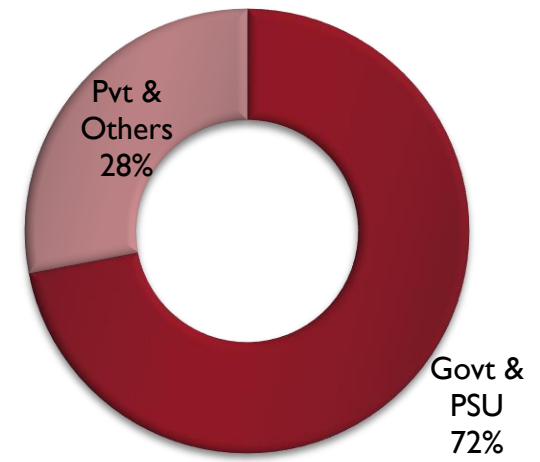
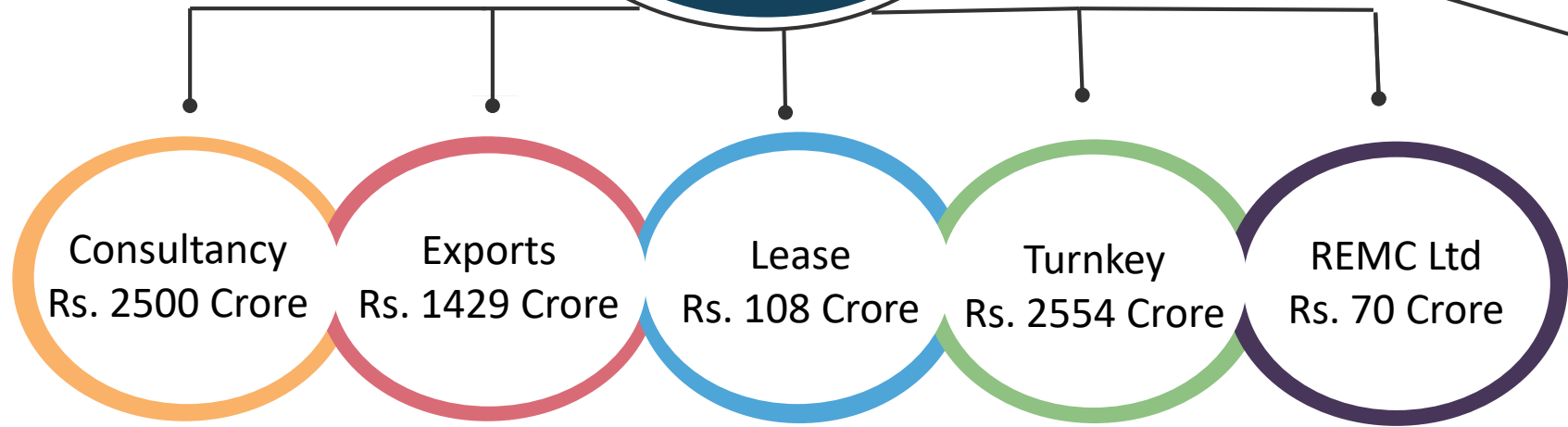
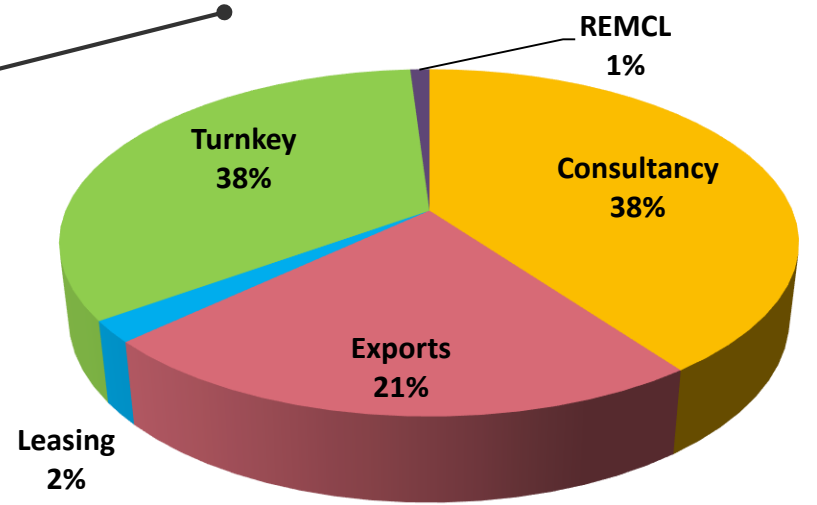
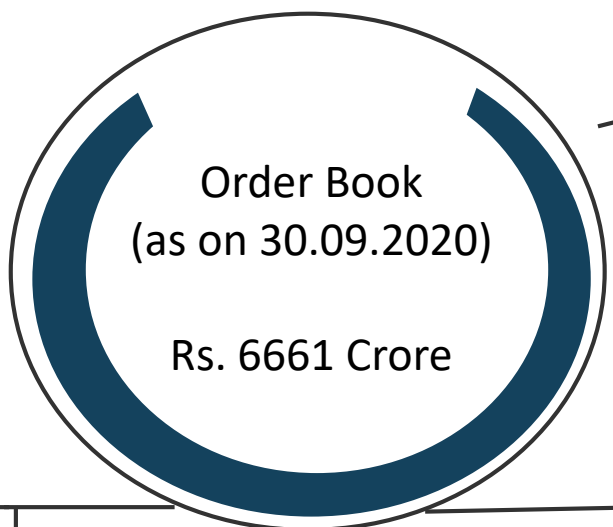
## 2. Order Book

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# Order Book

New Orders of  
**Rs. 948 crore**  
during Q2FY21



\* 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 after considering Covid-19 Impact



# Major Projects Secured during Q2FY21

₹ in Crore

**RITES secured more than 60 projects/contracts including enhanced scope during Q2FY21.**

|             | Project Scope   | Amount | Client   | Expected Completion |
|-------------|---|--------|--|---------------------|
| Turnkey     | Railway Electrification work Bhatinda-Firozpur, Gulbarga – Bidar and Udaipur -Himmat Nagar section (3 projects) | 474.92 | Indian Railways  | 2023                |
|             | 4 Road Over Bridge on Vijaywada-Vishakhapatnam section  | 205.85 | South Central Railways                                     | 2022                |
| Consultancy | PMC for 296 Km Bundelkhand Expressway in Uttar Pradesh  | 24.84  | Uttar Pradesh Expressways Industrial Development Authority | 2023                |
|             | PMC for 90 Km Gorakhpur Link Expressway in Uttar Pradesh  | 10.34  | Uttar Pradesh Expressways Industrial Development Authority | 2023                |
|             | Consultancy Services for 4 <sup>th</sup> line between Kalyan & Asangaon   | 8.00   | Central Railways   | 2024                |
|             | Detailed design work for Indore and Bhopal metro depots   | 7.00   | Madhya Pradesh Metro Rail Corporation                      | 2024                |
|             | DPR & PMC for 2 <sup>nd</sup> Railway Track from Dudhichua to Shaktinagar, M.P.                                 | 5.76   | Northern Coalfields Limited                                | 2022                |
| Leasing     | Technical Consultancy for Construction of Airport at Shivmoga   | 5.26   | Ports & Inland Water Transport Department, Karnataka       | 2021                |
|             | Lease of 2 Locomotives  | 5.50   | Larsen and Toubro  | 2021                |





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### 3. Outlook for FY20-21

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# Business Outlook

- 01** Impact on earnings and profits of H1FY21 due to Covid
- 02** Adequate order book for execution for 2-3 years
- 03** Pandemic resurgence in many countries is a cause of concern
- 04** Pick-up in tendering activities and focus on international projects, exports and domestic mega projects including NIP
- 05** Strong financial health



- 01** Further easing of restrictions affecting supply chain and travel expected soon
- 02** Focus on execution while maintaining margins
- 03** General business environment improving
- 04** Order inflow picked up, further consolidation in order book expected
- 05** Moderate revenue growth expected for FY21 with positive long-term business outlook



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**Thank You**

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