



17th August, 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.
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Dear Sir/Madam.

Sub: – Intimation under Regulation 30 of SEBI (LODR) Regulations, 2015- Presentation on Q1 FY19 Results to Analysts and Market Reg.,

.....
With reference to above subject, please find enclosed presentation to Analysts and Market on Q1 FY19 results of the Company.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours truly,

For GAYATRI PROJECTS LIMITED


(CS I.V.LAKSHMI)
Company Secretary & Compliance officer
Membership No. ACS 17607

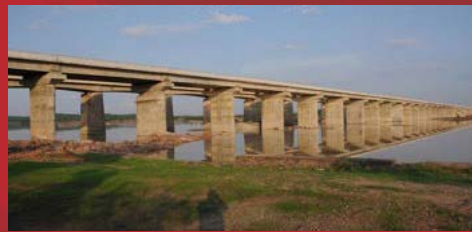


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India's Leading Pure Play EPC Company

Q1FY19



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Agenda

1. Gayatri Projects – An Introduction

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2. Q1FY19 Highlights

Slide No. 5 & 6

3. Order Book Growth and Diversification

Slide No. 7

4. Top 20 Orders – Status update

Slide No. 8 & 9

5. Medium Term Strategic Priorities and Guidance

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6. Other Strategic Updates

Slide No. 11

7. Key Investment Highlights

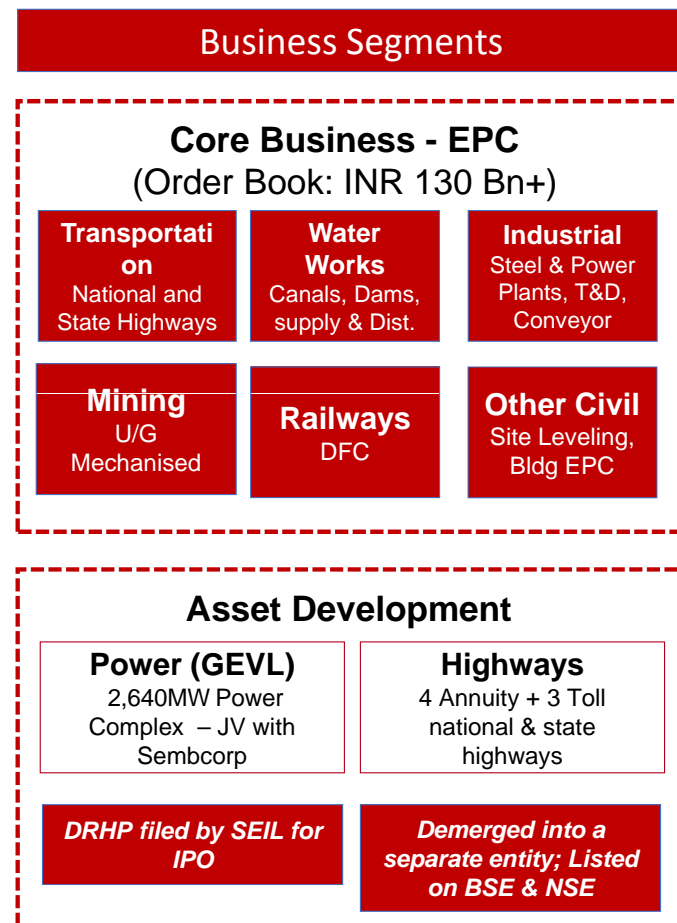
Slide No. 12

8. Appendix – Core Business Highlights

Slide No. 13 onwards

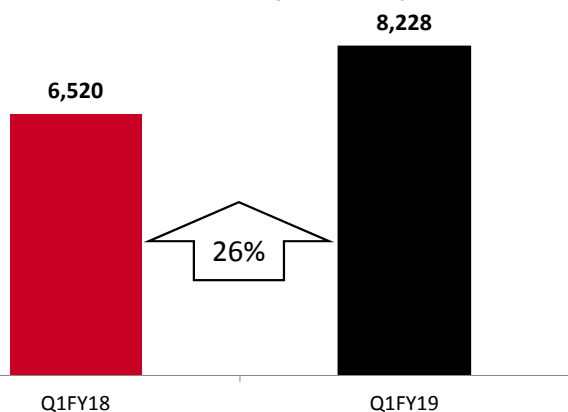
GPL: Among India's Leading EPC Companies

- One of India's leading construction and infrastructure companies with dedicated focus on asset-light EPC work
- 5 decades of experience in execution of major civil works, diversified across geographies & infrastructure segments
 - Pan India operations spread across 19 states
 - Transportation, Waterworks & Industrial construction projects
 - Marquee client list: NHAI, AAI, Nalco, Tata Steel, Reliance Petro, KNNL, WRD, etc.
- Strong Execution track record
 - Completed more than 6,850 lane km of road construction over the last 25 years
 - Completed ~40 projects aggregating to INR 90 billion+ value in last 5 years
 - Own extensive fleet of more than 2,300 pieces of construction equipment
 - Technology-driven efficient execution: IOT, Computer vision, UAVs, cloud-computing
- High medium term revenue growth visibility driven by large order wins
 - Order book of INR 130bn + Recent order wins / L1s of INR 45bn
 - Book-to-Bill of 5.2x: high growth visibility for next 4-5 years
- Re-focused business on "Asset-Light" Model over last 4 years
 - Reduced, restructured, monetized exposure to Asset Development Business
 - Significant improvement in balance-sheet leverage (2.4x to 1.5x in last 4 years) and return ratios (FY2018 RoE exceeded 20% for the first time in 10 years)
 - On track for mid 20s RoE & RoCEs, strong cash-flow generation and D/E below 0.5x in next 2-3 years

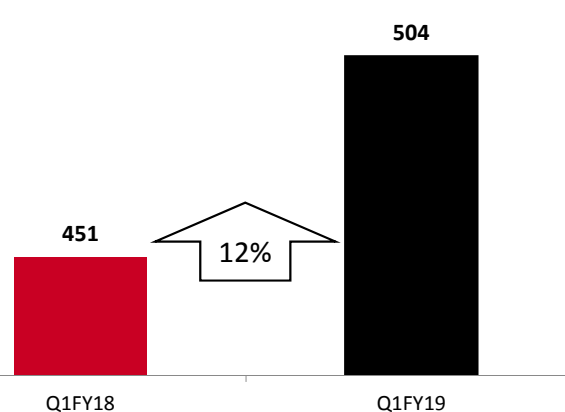


Q1FY19 – Strong Financial Performance

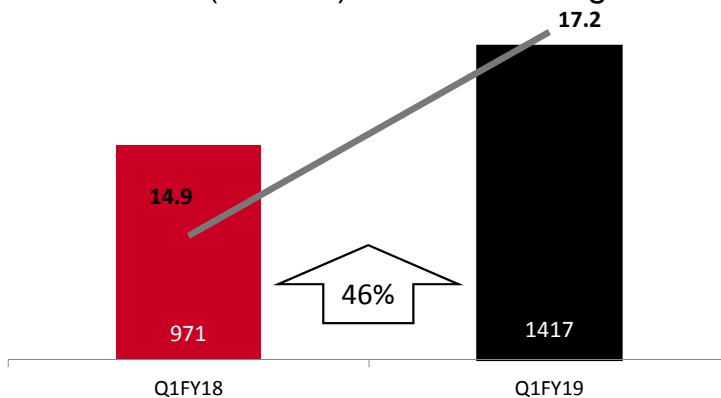
Revenue (INR Mn)



PAT (INR Mn)



EBITDA (INR Mn) & EBITDA Margin



Q1FY19 Achievement

- Revenue growth of 26% Y-o-Y despite GST being excluded from the topline
- EBITDA Margin expansion of 234 bps due to key road projects moving to PQC stage (higher margin stage), GST accounting.
- PAT growth muted: tax breaks taper-down
- Significant new order wins since April 2018: INR 31.8 bn new orders + INR 18.9 bn L1. Only, INR 4.3 bn of these new orders reflected by the end of Q1. **Order book of INR 129 bn.**

Expect ramp up in revenue recognition Q3FY19 onwards as new projects reach billing stage*

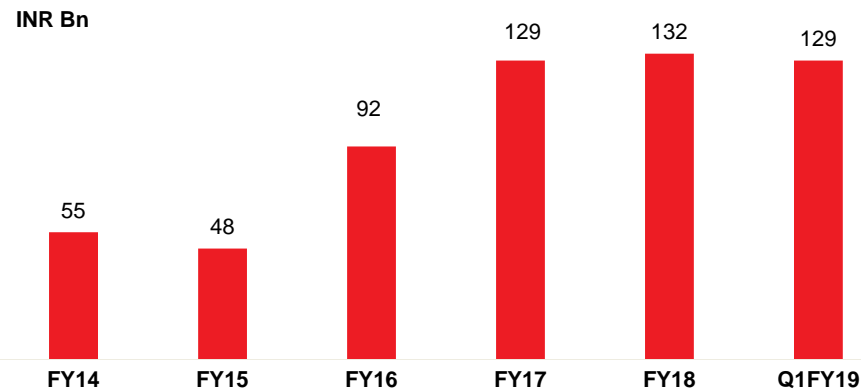
*refer to slide 7

Q1FY19 – Strong Financial Performance

INR Mn	Q1FY19	Q1FY18	Change (%)
Revenue	8,228	6,520	26%
Expense	6,811	5,550	23%
EBITDA	1,417	971	46%
EBITDA Margin (%)	17.2%	14.9%	
Interest	626	524	20%
Depreciation	160	127	26%
Other Income	3	77	
PBT	634	397	60%
Tax	130	(55)	
PAT	504	451	12%
EPS	3	3	

Built a De-Risked and Strong Order Book

Growth in EPC order book over the last 5 years

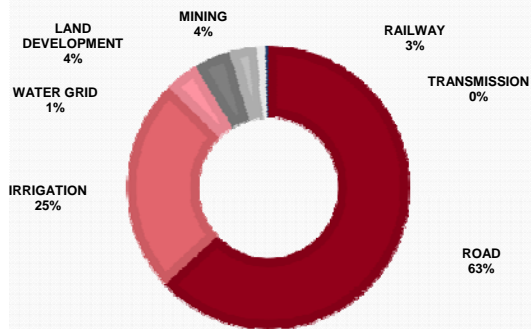


- ✓ Only Pure Play EPC Order Book in peer group
- ✓ Leading market share of NHA1 EPC Orders
- ✓ Projects bid at 16% + EBITDA margins
- ✓ 5.2x book to bill supports strong growth potential

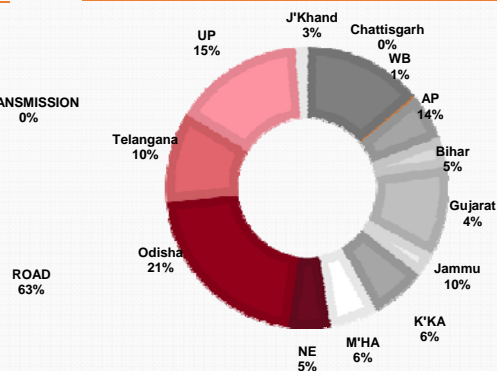
RECENT ORDER WINS / L1s in FY19

INR Mn	Details	State
Key Q1FY19 order win		
4,250	Hyderabad – Bhopalpatnam Highway	Telangana
Order wins after Q1FY19		
14,830	Purvanchal Expressway Package I	Uttar Pradesh
12,760	Purvanchal Expressway Package II	Uttar Pradesh
Declared L-1 Bidder		
13,939	Mumbai – Nagpur Expressway	Maharashtra
4,930	Khambataki Ghat – NH4	Maharashtra

Diversified across Segments



Diversified across Regions



Top 20 Orders – Status Update

All amounts in INR Cr

Package	Location	GPL Contract Value	GPL Balance work as on 01.07.2018	Mobilised on Site	Revenue Booking to Begin	Completion Date
Purvanchal Expressway Package 1	Eastern UP	1483	-	Under Process	3Q19	2Q22
Purvanchal Expressway Package 2	Eastern UP	1276	-	Under Process	3Q19	2Q22
Jammu Ring Road	Jammu	1339	1,322	Yes	1Q19	1Q23
Angul - Sambalpur Road work	Angul, Odisha	1255	1,107	Yes	3Q18	3Q22
Bihar Road (Patna - Gaya)	Patna, Bihar	926	685	Yes	4Q17	3Q22
Sultanpur - Varanasi Package 1	Varanasi, UP	986	605	Yes	3Q17	2Q20
Sultanpur - Varanasi Package 2	Varanasi, UP	806	523	Yes	3Q17	2Q20
Ghaghra Bridge To Varanasi Package 3	Varanasi, UP	785	464	Yes	3Q17	2Q20
Ghaghra Bridge To Varanasi Package 2	Varanasi, UP	741	344	Yes	3Q17	2Q20
Cuttack - Angul PKG 1	Cuttack	583	583	Yes	3Q19	3Q22
Hyderabad Elevated Corridor	Hyderabad	425	425	Under Process	3Q19	2Q21

Top 20 Orders – Status Update

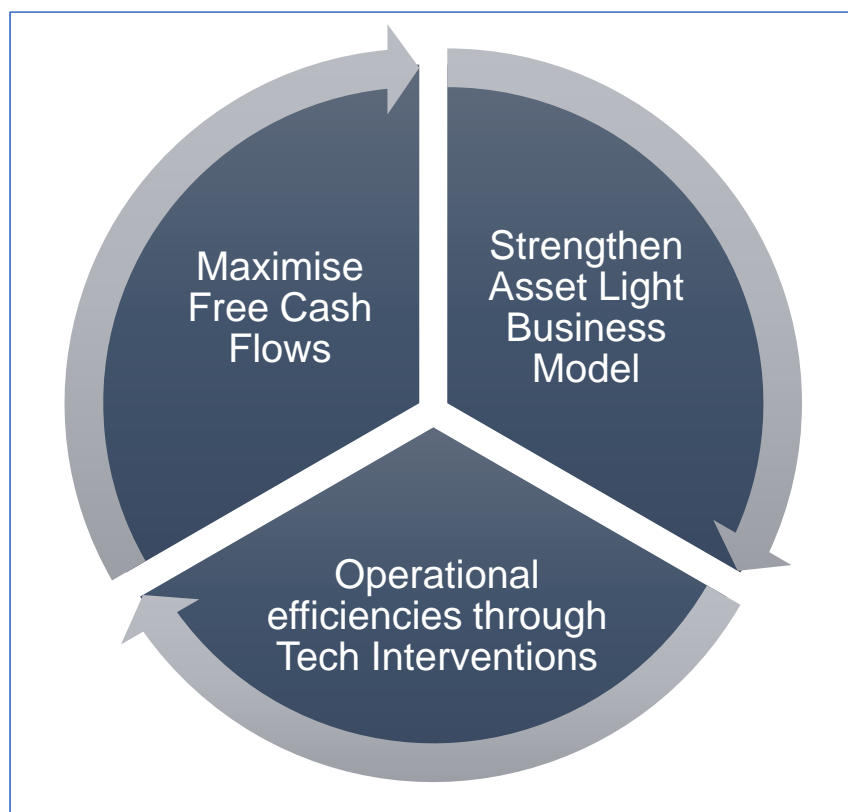
All amounts in INR Cr

Package	Location	GPL Contract Value	GPL Balance work as on 01.07.2018	Mobilised on Site	Revenue Booking to Begin	Completion Date
Rajamunda - Barkote	Barkote, Orissa	394	394	Under Process	3Q19	2Q21
Kempwad Lift Irrigation Scheme	Karnataka	990	801	Yes	2Q18	4Q20
PLIS Package 18 (MEIL - HES JV)	Jadcherla	700	700	Awaiting land acquisition	4Q19	Expecting 3Q22
Kaleswaram Project (Rs.1483 Cr)	Siddipeta	600	600	Yes	3Q19	Expecting 3Q22
Chintalapudi PKG 1	Pattisema, AP	620	468	Yes	3Q19*	2Q21
Chintalapudi PKG 2	Jangannagudem AP	498	367	Yes	3Q19*	2Q21
CIDCO Package 3	Navi Mumbai	699	498	Yes	2Q18	1Q20
lqubalgarh to Vadodara : 4744	Vadodara - Gujarat	427	412	Yes	4Q18	1Q22
TOP 20 UNEXECUTED PROJECTS		16,063	10,825			
Proportion of Total Order Book			86%			

*Expect accelerated revenue booking from Q3FY19 after getting approval for change in scope

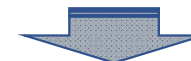
Medium Term Strategic Priorities and Guidance: FY19-FY21

Strategic Priorities



Strong Order Inflows...

- Avg. Annual New Order Intake of INR 60 bn+
- Book to Bill to be maintained in excess of 3.5x



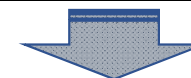
...Translating into Higher Growth...

Medium Term Growth Guidance (FY19-21)

Revenue Growth 25-30%+

EBITDA Margin 16%+

PAT Growth 35-40%+
(Current High Financial Leverage)



...Will Create Superior Shareholder

Q1FY19 – Other Updates

Improved Credit Ratings

- CARE Ratings upgraded credit rating for bank facilities
- Ratings upgraded from D to BB- with 'Stable' outlook
- Ratings upgraded on back of significant debt reduction and QIP issuance in FY18
- Expect further rating upgrades as the business starts generating free cash flows from current year

De-merger Completed

- Gayatri Highways began trading separate on bourses from June 28th, 2018 onwards
- Gayatri Highways houses all demerged BOT assets of GPL
- Demerger helped GPL become asset-light and pure-play EPC

Key Investment Highlights

Strong presence in high growth construction sector

Healthy and diversified pure EPC un-executed order book with good revenue growth visibility

Highly efficient operations with strong execution capabilities

Balance-sheet improvement on track for industry leading metrics in next 3 years

Significant value unlocking through business restructuring

Appendix



Strategy – Focusing on ‘Asset Light’ EPC segment

Asset light EPC model

- Pure EPC company with no asset-heavy BOT or HAM project work.
- Diversified across geographies and practice areas
- Deleveraging balance-sheet and monetizing non-core assets to improve visible Return on Capital
- Focused 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

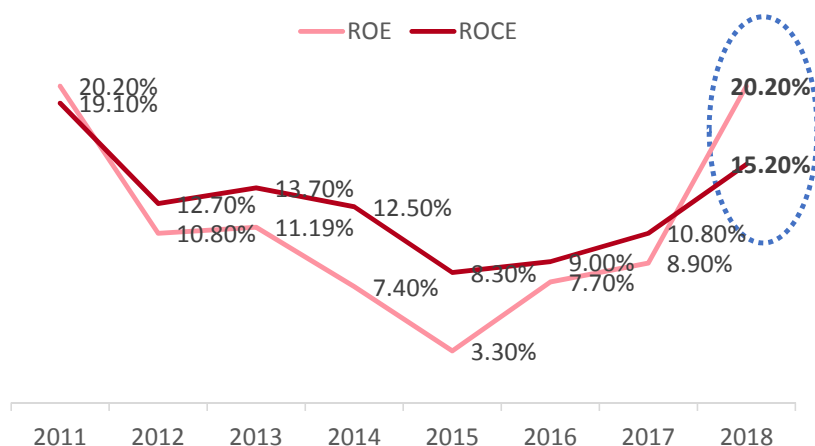
Focus on driving operational performance & execution efficiency

- 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

Spotlight on Asset-Light Model

- **2012-2015** : GPL numbers depressed due to asset investments
- **2016 onwards**: Business restructuring and Shift towards Asset-Light model

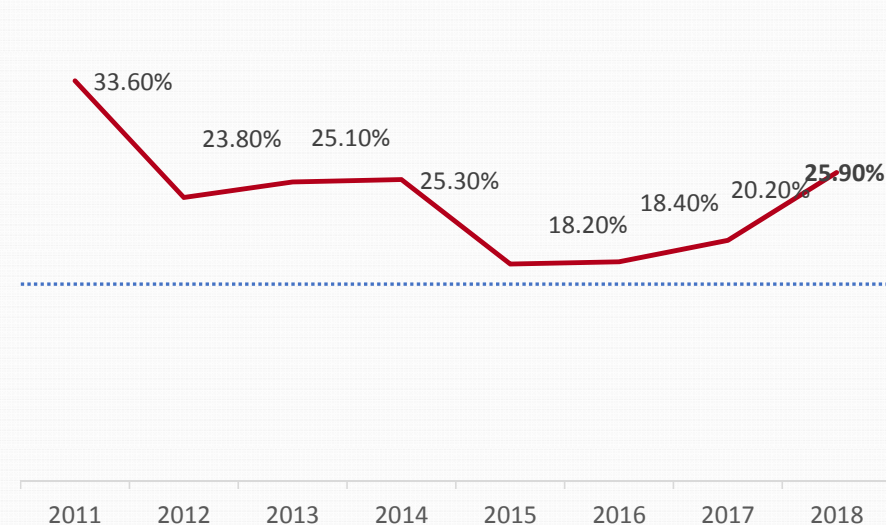
Historical ROE and ROCE



* Core construction business ROCE calculated after deducting investment in power and road BOT assets from the total capital employed

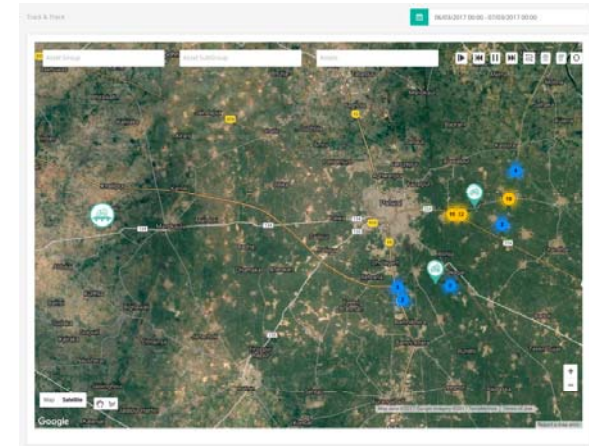
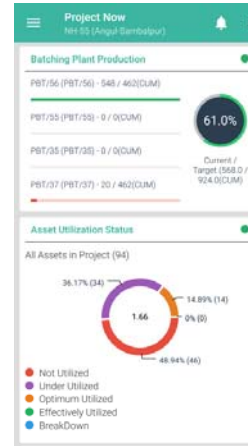
- Core Construction Services business is a high ROCE business; At the bottom of cycle generated 18.2%
- In line with the Industry practice, Free cash flow from Core Construction activities was used for funding asset acquisition prior to 2016

ROCE - Core Construction Business

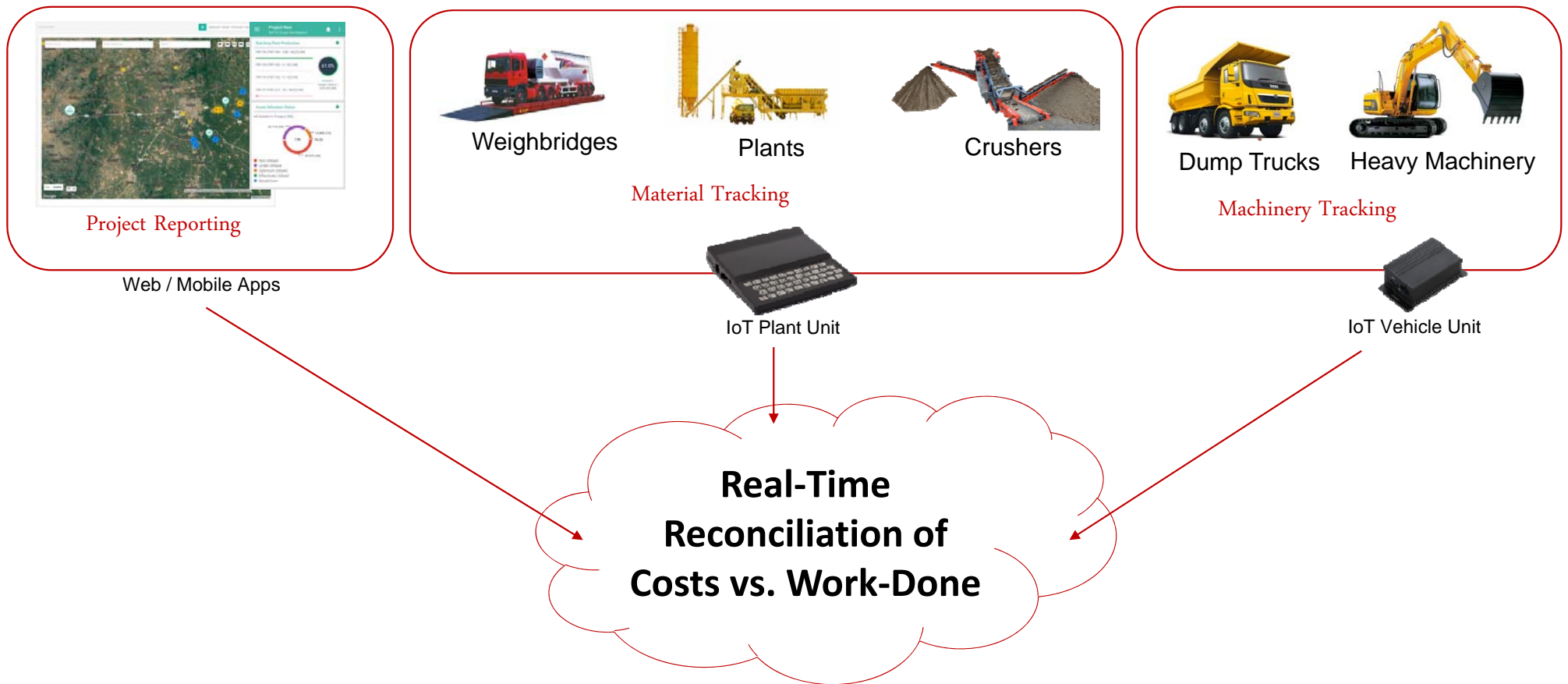


Technology-Driven Execution

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

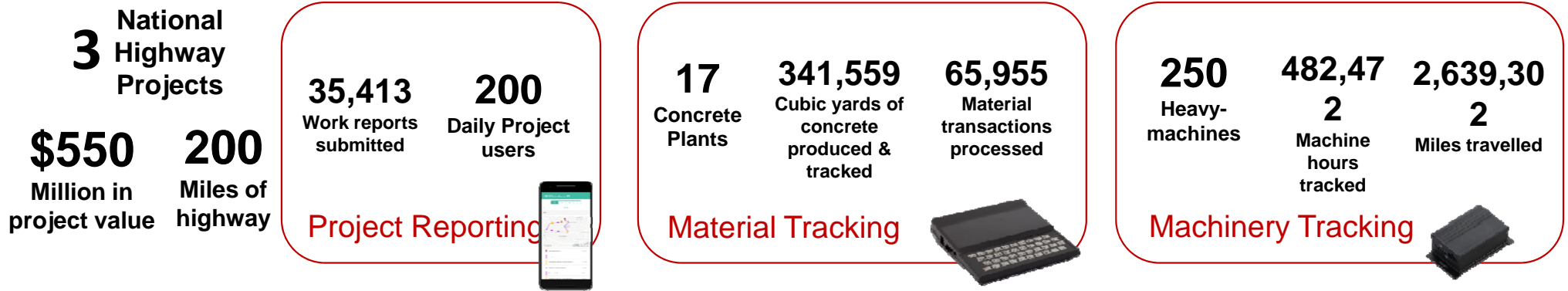


Digital Project Management System



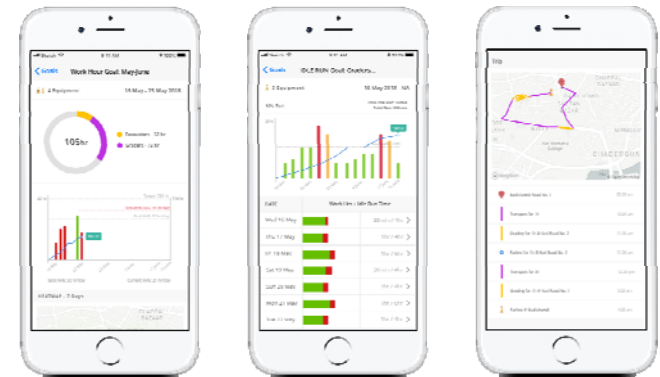
Digitization Roadmap

Scale of Existing Pilot Operations:



Future Roadmap:

- Plan to roll-out Digital Project Management System to all heavy-civil construction projects in next 18 Months
 - Roads, Irrigation, Railway, Land Development
 - 90% of current order-book
- Working with top technology partners to achieve digitization goals



Strong Execution Capabilities & a Diverse Range of Projects

Projects executed in last 5 years

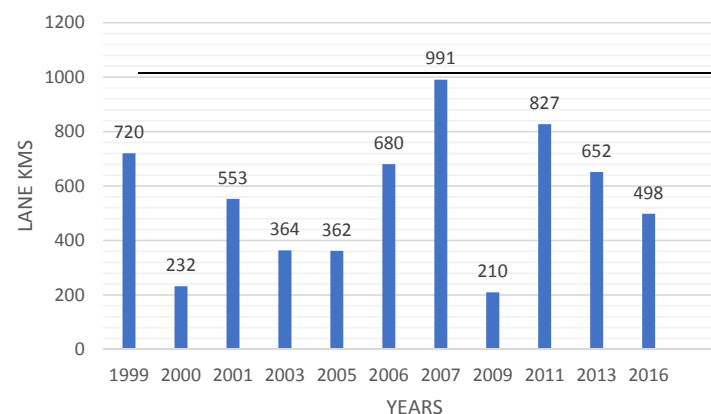
Segment	No. of projects executed	Value of contract (INR Mn)
Roads	12	57,262
Industrial	17	23,535
Irrigation	5	3,730
Site leveling	2	2,382
Dams & reservoirs	2	448
Railways	1	3,845
Total	39	91,202



Strong BG limits key competitive advantage

- Company has existing BG limit of INR 37 bn
- Existing BG limit provides ability to maintain order book of over INR 200 bn
- Ability to further increase the BG limits

Roads: Peak executed capacity at ~1,000 kms for the year 2007

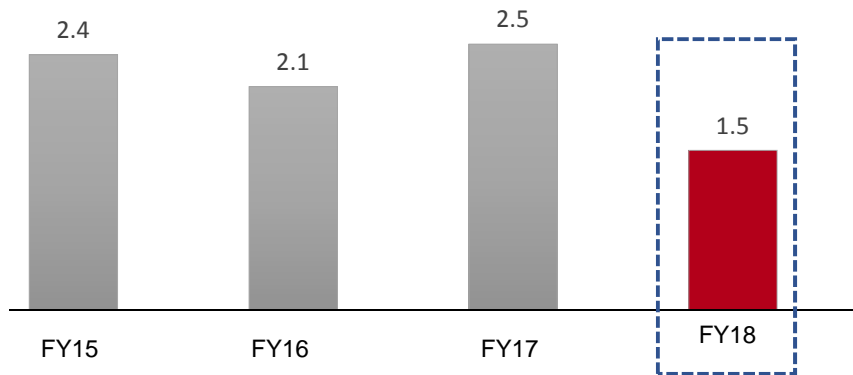


Required Lane Kilometers to be executed (as order) ~700 Lane Kms

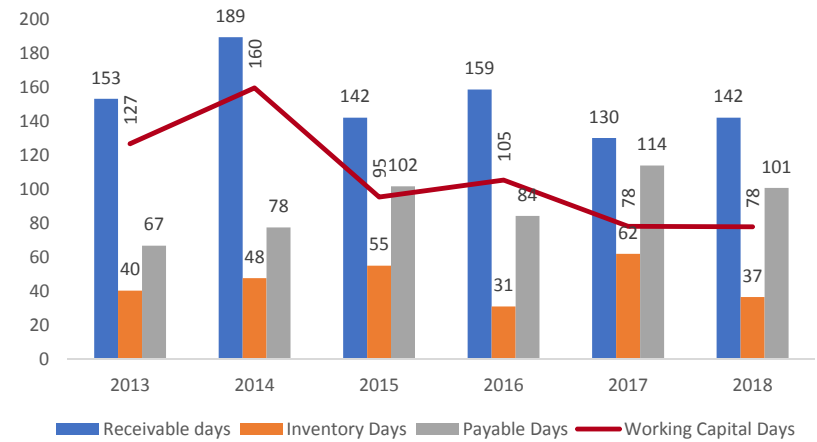
Capacity to execute 1,100 – 1,200 Lane kms/ year

Balance Sheet Strength Restored

Net Debt/Equity (x)



Working Capital Cycle



Balance Sheet

All figures in INR Million

ASSETS	31-03-2018	31-03-2017
Non Current Assets		
Property, Plant and Equipment	3,350	3,093
CWIP		241
Financial Asset		
Investment	10,169	10,561
Loans	3,563	5,102
Current Assets		
Inventories	2,930	3,601
Financial Asset		
Trade Receivable	11,337	7,546
Cash	2,426	1,970
Loans	1,703	2,016
Current Tax Assets	1,385	407
Other Current Assets	12,998	10,243
Total Assets	49,861	44,781

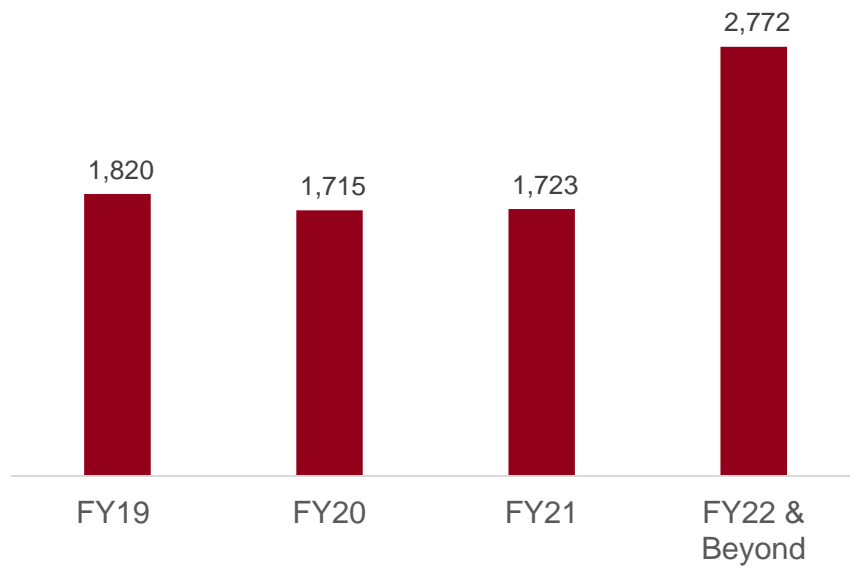
EQUITY & LIABILITIES	31-03-2018	31-03-2017
Equity		
Equity Share Capital	374	355
Other Equity	10,856	7,056
Liabilities		
Non Current Liabilities		
Financial Liabilities		
Borrowings	8,032	9,678
Other Financial Liabilities	10,332	9,239
Provisions	52	98
Deferred Tax Liabilities	71	232
Current Liabilities		
Financial Liabilities		
Borrowing	9,591	9,596
Trade Payables	8,043	6,608
Other Financial Liabilities	2,042	1,489
Other Current Liabilities	446	431
Provisions	21	1
Total Liabilities	49,861	44,781

P&L

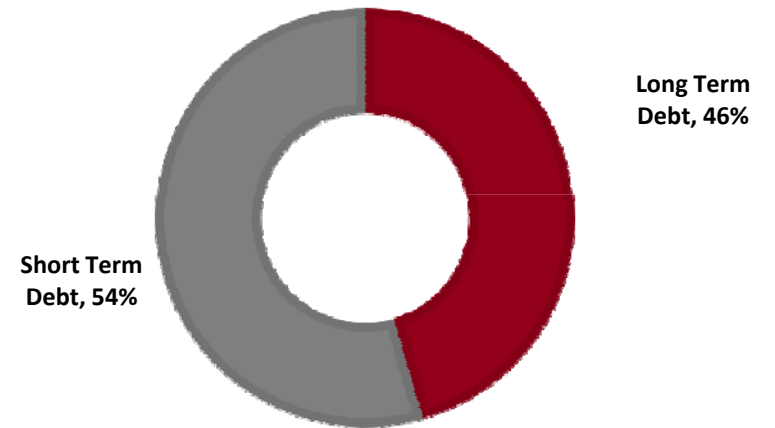
INRMn	FY2018	FY2017	Change (%)
Revenue	29,123	21,154	38%
Expense	27,387	20,365	34%
EBITDA	4,677	3,234	45%
<i>EBITDA Margin %</i>	16%	15%	7%
Interest	2,394	2,014	19%
Depreciation	547	432	27%
Other Income	89	306	-
PBT	1,825	1,095	67%
Tax	(55)	237	-
PAT	1,881	704	167%
EPS	11	4	165%

Debt Maturity Profile

Debt Maturity Profile (INR MN)



Total Debt – INR 17,016 Mn (US\$ 250 mn)



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

Management Team - HQ



T Sandeep Reddy

- **Managing Director**
- Masters in Construction Engineering & Management from University of Michigan, USA
- 20+ years of construction experience



J Brij Mohan Reddy

- **Vice Chairman**
- Graduate in Industrial Engineering from Berkeley University, USA
- 50 years of experience in construction and engineering



P Sreedhar Babu

- **Chief Finance Officer**
- Fellow Member of Institute of Chartered Accountants of India
- 18+ years of experience in finance and banking



D Sitaram

- **Executive Vice President, Business Development**
- In-charge of evaluating new business units, identifying suitable Joint-Venture partners, and attending review meetings with clients and regulatory bodies



T Rajiv Reddy

- **Vice President, Operations**
- In-charge of overall Project Controls & Monitoring, and head of Mining business unit
- Graduate in Industrial Engineering from University of Illinois, Urbana-Champaign, USA

Management Team - Projects



K Sessa Reddy

- **Senior Vice President, PMC**
- In-charge of project monitoring and controls
- Previously a Project Head at L&T
- Masters in Construction management from Birla Institute of Technology
- 32+ years of experience in infrastructure



G Venkateshwar Rao

- **Senior Vice President, Irrigation Projects**
- Oversees entire irrigation business unit
- Graduate in Civil Engineering
- 20+ years of experience in irrigation EPC



MV Suresh

- **Vice President, Road Projects**
- Oversees road construction projects
- Graduate in Civil Engineering
- 20+ years of experience in EPC



CH Ramakrishna Rao

- **Senior Vice President, Road Projects**
- Oversees road construction projects
- Masters in Construction management from Birla Institute of Technology
- 20+ years of experience in infrastructure



Sudhakar Lolla

- **Vice President, Mining**
- Oversees underground mining projects
- Masters in Technology and Mining from Indian School of Mines
- 18+ years of experience in mining

Contact Details

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