

TECPRO SYSTEMS LIMITED

Q4 & FY2013 Earnings Presentation



Safe Harbor



Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Tecpro Systems Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Agenda



- **Business Overview**
- **Order Book Highlights**
- **Financial Performance – Q4FY'13 and FY'13**
- **VCMD Message**
- **Outlook**
- **Annexure**



Business Overview



Strong Market Positioning



Leadership in coal/ash handling

- ❑ Largest in coal handling plant orders in XIth 5 year Plan; 3rd largest in ash handling
- ❑ Breakthrough in the international markets in FY13

Moving up the value chain

- ❑ Successful foray into BoP space with ~Rs 22bn projects under execution
- ❑ Backward integration in water treatment space
- ❑ Increasing presence in waste heat recovery segment and solar EPC

Robust order book

- ❑ Strong order book of Rs 41.8bn as on March 31, 2013 (1.6x FY13 operating revenues)

Strong execution track record

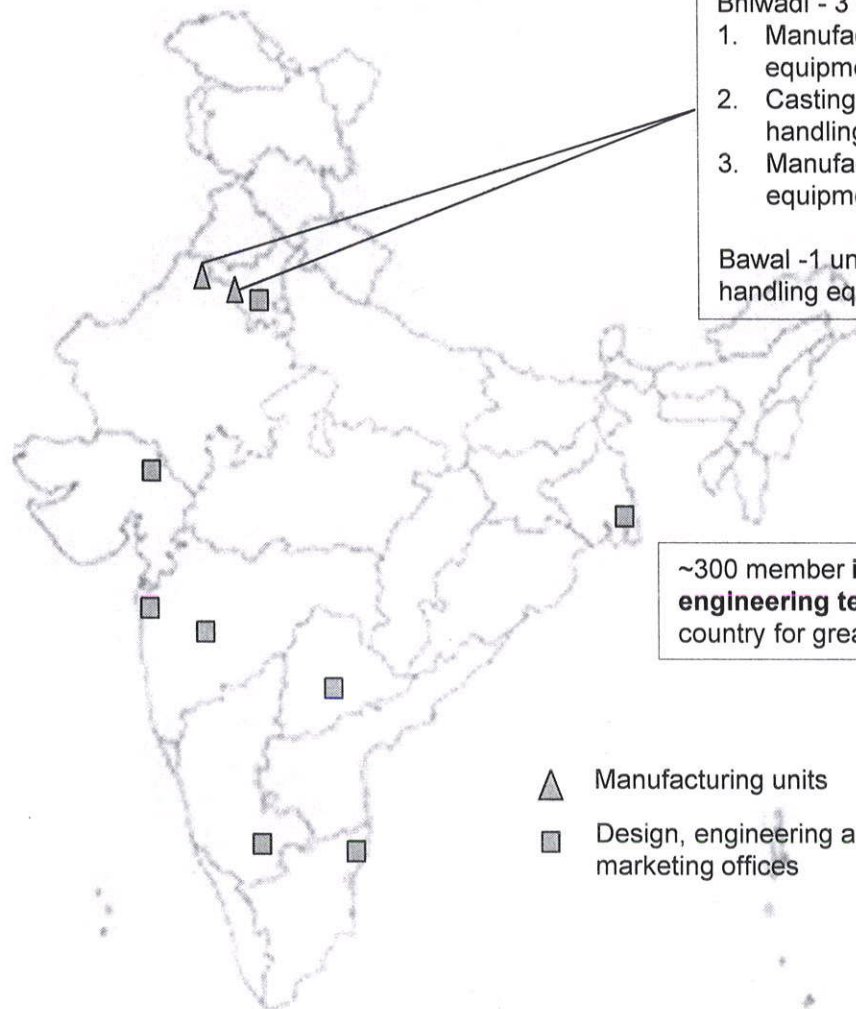
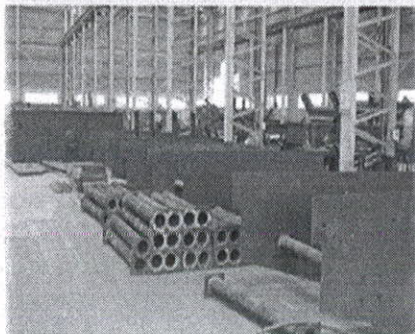
- ❑ Repeat orders from clients testimony to efficient execution

Technology tie-ups

- ❑ Technical collaborations with global market leaders in material and ash handling technologies
- ❑ Creating entry barriers through enhanced service offerings
- ❑ Technical collaboration with Mitsubishi in current fiscal for Electrostatic Precipitator (ESP)



Advanced Design & Engineering Capabilities, Strong Manufacturing Base



- Bhiwadi - 3 units
1. Manufactures material handling equipments
 2. Casting unit for material/ash handling
 3. Manufactures ash handling equipments

Bawal -1 unit - Manufactures material handling equipment

~300 member **in-house design and engineering team** spread across the country for greater flexibility and efficiency

- ▲ Manufacturing units
- Design, engineering and marketing offices

In house designing & engineering, manufacturing and fabrication capabilities are Tecpro's competitive edge and help reduce costs and execution time



Marquee Customer Profile



Material Handling



Ash Handling



Balance of Plant



Waste Heat Recovery














Long standing customer relationships and repeat orders testimony to efficient execution



Technical Collaborations with Global Cos



	Company	Description
	FAM Magdeburger Förderanlagen und Baumaschinen GmbH, Germany	Sale, manufacture and service of crushers, rollers and grinders
	Siebtechnik GmbH	Manufacturing and selling products including vibrating screens
	Hein, Lehmann Trenn-Und Fördertechnik GmbH, Germany	Manufacturing 'Liwell' flip-flow screens
	Won Duck Industrial Machinery Co. Ltd.	Sale of cone crushers and manufacture of single toggle jaw crushers
	Krusnohorske Strojirny Komorany a.s.	Sale and manufacture of stacker reclaimers, paddle feeders and twin rotor sizers
	Advanced Conveyor Technologies Inc. USA	Design and engineering of overland conveyor systems
	GEA EGI Contracting/Engineering Company Limited	Promotion of high concentration slurry disposal system
	Xiamen Longking Bulk Materials Science and Engineering Co Ltd	Dry bottom handling, pneumatic conveying, fly ash handling and coal mill rejects handling
	Pneuplan Oy	Dense Phase Pneumatic Systems for Fly Ash and allied materials
	Nanjing Triumph Kaineng Environment & Energy Co. Ltd (NTK)	Waste Heat Recovery Boiler based thermal power plants
	Mitsubishi Heavy Industries Mechatronics Systems Ltd (MHI-MS)	Manufacturing and marketing of Electrostatic Precipitator (ESP) in the Indian market

Technical tie-ups create strong entry barriers and reduce R&D costs and time to market for new technologies

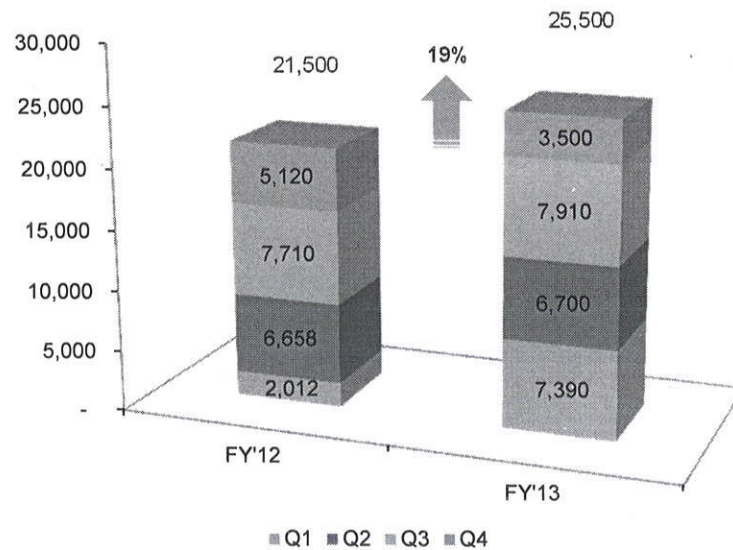


Order Book Highlights

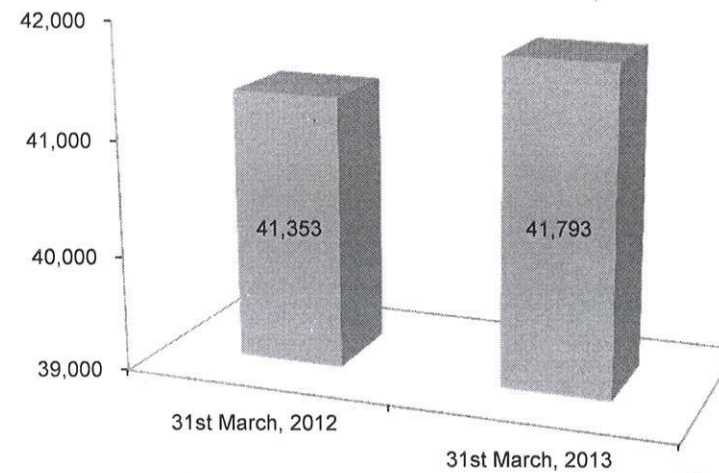


Order Inflow and Backlog

Order Inflow (Rs mn)



Order Book (Rs mn)



Total order inflow for FY13 was Rs 25.5bn compared to order inflow of Rs 21.5bn for FY12

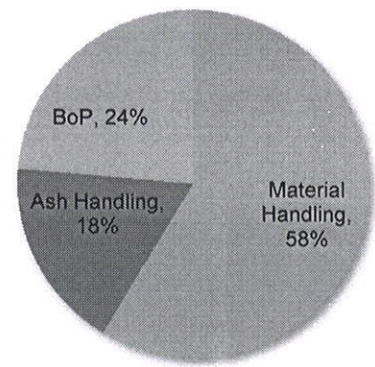
Total order book position as on 31st March, 2013, stood at Rs 41.8bn



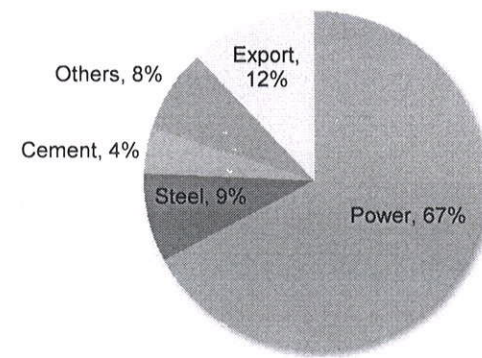
Order Book Details



Segment – wise (31.03.13)



Sector – wise (31.03.13)



Key Orders Received During Q4FY'13

Client	Description	Project Value (Rs mn)
The West Bengal Power Development Corporation Ltd	AHP Turnkey Package for Sagardighi Thermal Power Extension Project, Phase II, Units 3&4 (2X500MW)	1,398
Dalmia Cement (Bharat) Ltd	Setting up of complete WHR based power plant at Kadappah, AP	380



Key Projects Under Execution



Client	Description	Project Value (Rs mn)
APGENCO	2 BoP, 1X600 MW, Rayalaseem and Kakatiya Thermal Power Project	19,780
BHEL	NMDC Steel Plant at Nagarnar, Chhatisgarh	5,214
NTPC Limited	CHP package for Pakri Barwadih Coal Mining Block, Hazaribagh, Jharkhand	4,054
Kanti Bijlee Utpadan Nigam Ltd	Coal handling plant package for stage II (2X195 MW) Muzaffarpur power project	2,763
Bhartiya Rail Bijlee Co	Coal handling plant (CHP), 2X250 MW power plant	2,692
Elecon Engineering Co. Limited	CHP package for Mouda STPP Stage II	2,178
Bukit Assam of Indonesia	Coal handling facility and overland conveyors at Tanjung Enim, Sumatra, Indonesia	2,090
Lanco	Coal handling plant (Koradi 3X660 MW, Vidarbha 2X600 MW)	2,086
Rajasthan Rajya Vidyut Utpadan Nigam Ltd	BoP, 1X160 MW Gas based combined cycle power project Stage-IV in Jaisalmer, Rajasthan	1,980
Hyundai Rotem, Korea	Supply of Coal, Limestone and Ash Handling system for 2X500 MW Mong Doung 1 Thermal Power Plant Project	1,799
Meja Urja Nigam Pvt Ltd	Ash handling package (AHP) for 2X660 MW for Meja Thermal Power Project	1,620
Abhijeet Projects Limited	CHP for Phase I of 2X660 MW Super Critical Thermal Power Project in Banka, Bihar	1,550
Damodar Valley Corporation	CHP for Bokaro Thermal Power Station 'A' (1X500 MW)	1,466
NTPC Ltd., Solapur	Ash handling system & Ash water recirculation package for Solapur (2X660 MW)	1,419
The West Bengal Power Development Corporation Ltd	AHP Turnkey Package for Sagardighi Thermal Power Extension Project, Phase II, Units 3&4 (2X500MW)	1,398
Tata Projects Limited	Complete Stock House for 3.0 MTPA integrated Steel Plant at Nagarnar, Chhattisgarh	1,271
Andhra Pradesh Power Development Co. Ltd	External coal conveying system	1,197
SAIL	Debottlenecking of raw material handling for Durgapur Steel Plant	979
SK Engineering & Construction, South Korea	Coal handling for Paco power plant in Panama	957
Kanti Bijli Utpadan Nigam Ltd, Muzaffarpur	Ash handling for stage II (2X195 MW) Muzaffarpur power plant	837
NTPC, Vidhyanchal	Ash handling, stage IV, 2X500 MW	770
Punj Lloyd	2X300 MW Haldia Thermal Power Plant	706
Maharastra State Power Generation Co	BoP package	291





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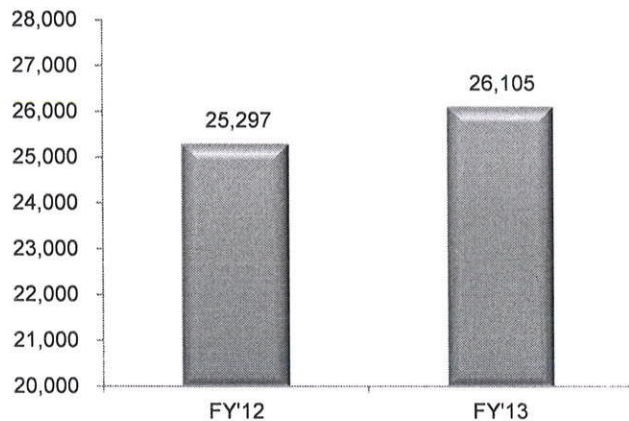
Financial Performance



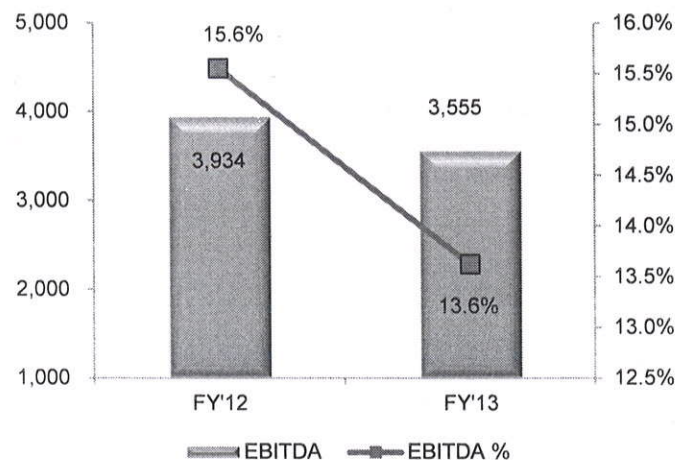
FY'13 vs. FY'12



Revenues (Rs mn)



EBITDA and Margin



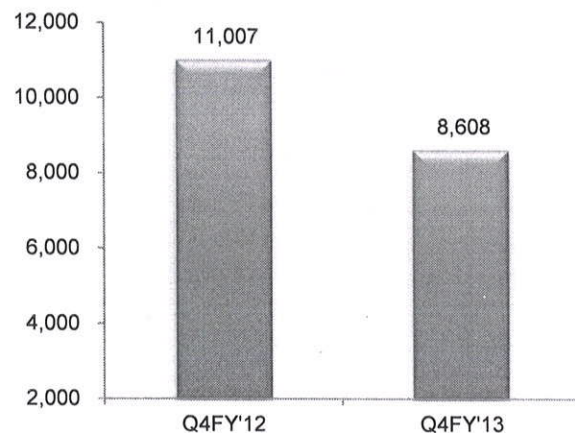
- Operating revenues for FY'13 up 3.2% to reach Rs 26.1bn from Rs 25.3bn FY'12
- Operating profits for FY'13 stood at Rs. 3.56bn as compared to Rs. 3.93bn for FY'12. Margins at 13.6% as compared to 15.6% in FY'12.
 - ✓ Raw material cost as a % of total operating revenues increase to 63.0% in FY'13 from 60.2% in FY'12
- PAT for FY13 stood at Rs. 289mn compared to Rs 1,249mn last year due to:
 - ✓ 53% increase in Finance charges to reach Rs 3,013mn compared to Rs 1,968mn for FY'12



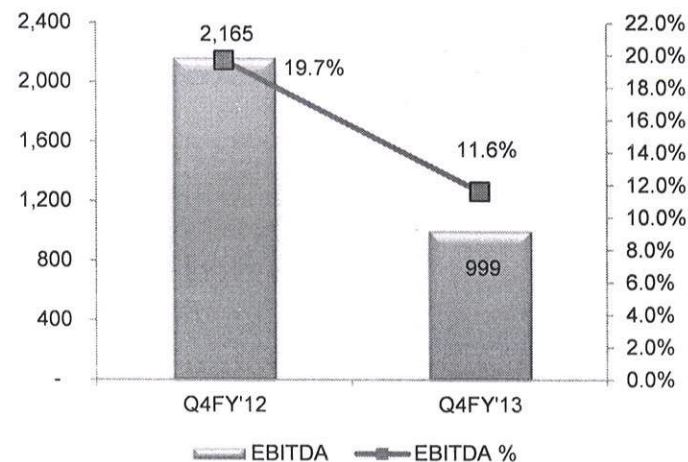
Q4FY'13 vs. Q4FY'12



Revenues (Rs mn)



EBITDA and Margin



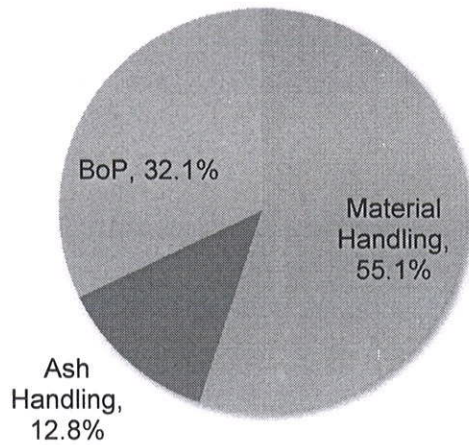
- Operating revenues for the quarter stood at Rs 8.6bn compared to Rs 11.0bn for Q4FY'12
- EBITDA of Rs. 999mn; Margin at 11.6%
 - ✓ Total operating expenses as a % of total operating revenues increase to 88.4% in Q4FY'13 from 80.3% during the same period last year
- PAT for Q4FY'12 stood at Rs. 43mn compared to Rs 963mn in same quarter last year. This was due to:
 - ✓ Finance charges going up by 38% to reach Rs 879mn in Q4FY'13



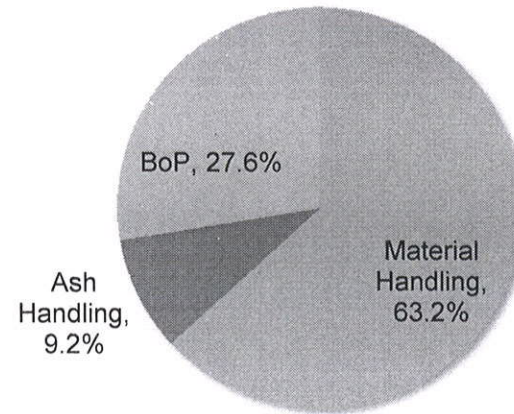
Segment - wise



Revenue Break-up FY12



Revenue Break-up FY13



- Material handling continued to be largest segment FY'13 contributing 63.2% to total revenues. This was followed by BoP at 27.6% and ash handling at 9.2%.



VCMD Message



Comments on the performance for FY2013 - from Mr. Amul Gabrani, Vice Chairman & Managing Director of the Company:

“This had been a very challenging year for the power sector which continued to be plagued with issues of coal/gas shortage, SEB losses and land acquisition & environment clearances resulting in non-finalization of new projects. This affected the flow of orders to EPC and BoP players.

For FY13 we posted a topline of Rs 26bn with EBITDA margin of 13.6%. Our order inflow for the year was Rs 25.5bn compared to Rs 21.5bn in the previous year, taking our order book position as on 31st March 2013 to Rs 41.8bn.

We at Tecpro have always endeavored for growth with focus on efficient and timely execution of projects. During the year, we strengthened our position in the material and ash handling space by extending our offering to the international markets. We won 3 projects across Vietnam, Indonesia and Central America totaling Rs 4.85bn. These wins reinforce superiority of Tecpro’s business model built on strong manufacturing, design and engineering capabilities. In the WHR space, we extended our offering to the steel sector having booked order from Steel Authority of India Ltd. This year we also booked BoP order from the Rajasthan Rajya Vidyut Nigam Limited worth Rs. 1,980 mn.

Going forward we expect the power sector dynamics to improve as the government has initiated several reforms to address issues and fast-track implementation of projects. These developments, coupled with moderating inflation and interest rates, will help revive the investment cycle and fasten the pace of order inflows.

Our focus for the coming year would be on sustainable growth through efficiently executing orders across all segments and continue to look at diverse sources of EPC revenues. We are also focusing on improving our cash conversion cycle through the timely execution of our current projects and better negotiation of payment terms with our clients”.





Outlook



Improving sector outlook

The coming year is set to be a better year for the power sector as government has stepped up efforts to revive the investment cycle – SEB restructuring package, Tariff hikes to reduce losses of SEBs, CCI to expedite the clearance process for infrastructure projects

Tapping opportunities across all segments

Strong order book of Rs 41.8bn as on 31st March '13

Maintain leadership in material/ash handling, aggressively tap growing opportunities and expand in newer areas of WHR, water, solar EPC and pollution control equipment

Focusing on liquidity management and improving cash conversion cycle

LC backed orders for time bound payments – Out of the total orders received this year about Rs. 10bn are LC backed

Focus on recovery of retention money to contain debtor position

Financial Annexure



Income Statement – Q4FY'13 and FY'13



Particulars (Rs mn)	Q4 FY'13	Q4 FY'12	Q3 FY'13	% Chg YoY	% Chg QoQ	FY'13	FY'12	% Chg YoY
Net sales	8,560.8	10,992.4	5,994.7	-22.1%	42.8%	26,028.1	25,250.4	3.1%
Other Operating Income	47.4	15.0	9.1	215.6%	423.3%	76.4	46.2	65.5%
Total Operating Income	8,608.2	11,007.4	6,003.8	-21.8%	43.4%	26,104.6	25,296.6	3.2%
Total Expenditure	7,609.2	8,842.7	5,142.2	-13.9%	48.0%	22,549.1	21,363.0	5.6%
(Increase) / Decrease In Stock In Trade & WIP	487.5	264.7	88.4	84.2%	451.4%	247.3	(803.9)	NA
Consumption of Raw Materials	4,329.4	4,895.7	3,208.4	-11.6%	34.9%	13,847.4	12,703.7	9.0%
Purchase of Traded Goods	975.9	1,611.3	438.9	-39.4%	122.3%	2,352.3	3,329.7	-29.4%
Employees Cost	237.9	369.4	356.5	-35.6%	-33.3%	1,231.9	1,209.1	1.9%
Other Expenditure	1,578.4	1,701.5	1,049.9	-7.2%	50.3%	4,870.2	4,924.5	-1.1%
EBITDA	999.0	2,164.7	861.6	-53.8%	16.0%	3,555.4	3,933.6	-9.6%
Depreciation	59.9	40.6	47.5	47.6%	26.1%	198.2	134.9	46.9%
EBIT	939.1	2,124.1	814.1	-55.8%	15.4%	3,357.2	3,798.7	-11.6%
Interest & Finance charges	878.8	636.0	750.5	38.2%	17.1%	3,012.7	1,967.8	53.1%
Other Income	3.5	28.5	11.4	-87.8%	-69.6%	82.9	115.6	-28.3%
PBT	63.8	1,516.6	75.0	-95.8%	-14.9%	427.5	1,946.5	-78.0%
Tax Expense	20.9	553.7	24.3	-96.2%	-14.0%	138.9	697.2	-80.1%
PAT	42.9	962.9	50.7	-95.5%	-15.4%	288.6	1,249.3	-76.9%
Basic & Diluted EPS (Rs.)	0.85	19.08	1.00	-95.5%	-15.4%	5.72	24.75	-76.9%

Key Ratios	Q4 FY'13	Q4 FY'12	Q3 FY'13	FY'13	FY'12
EBITDA Margin	11.6%	19.7%	14.4%	13.6%	15.6%
Net Margin	0.5%	8.7%	0.8%	1.1%	4.9%
Total Expenditure/ Total Operating Income	88.4%	80.3%	85.6%	86.4%	84.4%
Raw Material Cost/ Total Operating Income	67.3%	61.5%	62.2%	63.0%	60.2%
Staff Cost/ Total Operating Income	2.8%	3.4%	5.9%	4.7%	4.8%
Other Expenditure/ Total Operating Income	18.3%	15.5%	17.5%	18.7%	19.5%



Segment Results and Key Balance Sheet Items



Segments

Revenue (Rs mn)	Q4 FY'13	Q4 FY'12	Q3 FY'13	% Chg YoY	% Chg QoQ	FY'13	FY'12	% Chg YoY
Material Handling	5,691.5	6,889.4	10,807.9	-17.4%	-47.3%	16,499.4	13,931.6	18.4%
Ash Handling	1,030.5	1,365.9	1,374.7	-24.6%	-25.0%	2,405.1	3,233.7	-25.6%
BoP	1,886.2	2,752.0	5,313.8	-31.5%	-64.5%	7,200.1	8,131.4	-11.5%
Total	8,608.2	11,007.4	17,496.4	-21.8%	-50.8%	26,104.6	25,296.6	3.2%

% Break Up	Q4 FY'13	Q4 FY'12	Q3 FY'13	FY'13	FY'12
Material Handling	66.1%	62.6%	61.8%	63.2%	55.1%
Ash Handling	12.0%	12.4%	7.9%	9.2%	12.8%
BoP	21.9%	25.0%	30.4%	27.6%	32.1%

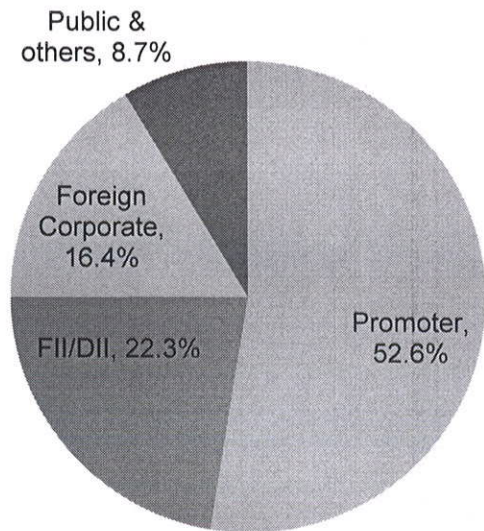
Balance Sheet

Particulars (Rs mn)	31st Mar'13	31st Mar'12
Net worth	7,890.0	7,644.7
Total Debt	21,223.1	13,547.0
Cash & Cash Equivalents	374.9	2,435.7



Shareholding Pattern

As on March 31, 2013
Outstanding shares – 50.47 mn



About Tecpro Systems



Since the commencement of its operations in 2001, Tecpro has become a key player in material handling solutions having executed various projects for the core infrastructure related sectors like power, steel, cement and other industries. The Company designs, engineers, manufactures, sells, commissions and services a range of systems and equipment to provide turnkey projects for these sectors. Tecpro has also made rapid strides in ash handling business, having acquired Mahindra Ashtech Limited in 2008. Today, Tecpro Systems has in-house capabilities for providing comprehensive solutions in material and ash handling systems with strong design capabilities, good execution track record and technology tie-ups.

The Company has ventured into various complimentary businesses across different divisions of the power sector with a vision to build an integrated business serving the sector. The company also forayed into the EPC segment for thermal power projects in 2007, in which it managed the erection and commissioning of the boiler, turbine and generator (BTG) packages along with undertaking the engineering, design, supply and commissioning of other equipment and services. It has also ventured into waste heat recovery (WHR) segment in collaboration with Chinese company NTK. Tecpro made two acquisitions in FY12 - Ambika Projects, a water treatment company and Eversun Energy, a solar EPC company.

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