

SKIPPER LIMITED

INVESTOR PRESENTATION Q3 & 9M FY'21 Results



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Skipper Limited is India's largest and world's most competitive integrated transmission tower manufacturing company

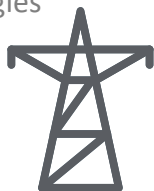


SKIPPER: ONE-STOP SOLUTION PROVIDER

Engineering products

Capacity: 300,000 MTPA

- Power Transmission Tower
- Power Distribution Poles
- Monopoles
- MS & High Tensile Angles
- Solar Structures
- Fasteners
- Tower Accessories
- Railway Structures



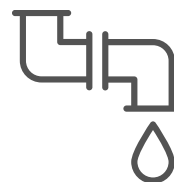
Highlights

Positioned as one of the world's leading transmission tower manufacturer; largest in India

Polymer products

Capacity: 51,000 MTPA

- UPVC Pipes
- CPVC Pipes
- SWR Pipes
- HDPE Pipes
- Fittings

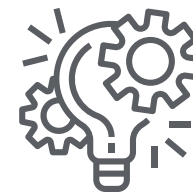


Highlights

- Only polymer pipe company in India to implement TOC in its operations

Infrastructure projects

- Transmission Line EPC
- Railway Electrification EPC
- Underground Utility laying by HDD



Highlights

- Forward integration activity
- Aimed at high-margin projects

SKIPPER LIMITED
Performance Update

Q3 & 9M FY'21 Update





Financial Performance Q3' 21

Rs in Mn

Sl	Profit & Loss Summary	Q3 FY'21	Q3 FY'20	Change %
1	Revenues	4,598.5	2,998.4	53.4%
2	Reported EBITDA	441.1	347.2	27.1%
	EBITDA Margins	9.6%	11.6%	
3	(+) Other Income	9.7	12.3	
4	(-) Depreciation	110.4	95.8	
5	(-) Finance Cost	169.1	201.3	-16.0%
	Finance Cost as % to Revenue	3.7%	6.7%	
6	Profit Before Tax (2+3-4-5)	171.3	62.3	174.8%
	PBT Margins	3.7%	2.1%	
7	Tax	56.9	17.8	
8	Profit After Tax (8-9)	114.4	44.6	156.8%
	PAT Margins	2.5%	1.5%	

Note: Reported EBITDA includes derivative and foreign exchange Gain of Rs 80.4 mn & Rs 17.1 mn in Q3 Fy'21 & Fy'20 respectively



Financial Performance 9M'21

Rs in Mn

Sl	Profit & Loss Summary	9M FY'21	9M FY'20	Change %
1	Revenues	10,841.5	9,516.5	13.9%
2	Reported EBITDA	1,009.2	1,119.3	-9.8%
	EBITDA Margins (%)	9.3%	11.8%	
3	Other Income	16.4	16.7	
4	Depreciation	336.3	284.2	
5	Finance Cost	514.0	649.0	-20.8%
	Finance Cost as % to Revenue	4.7%	6.8%	
6	Profit Before Tax (2+3-4-5)	175.3	202.7	-13.5%
	PBT Margins (%)	1.6%	2.1%	
7	Tax	55.4	61.7	
8	Profit After Tax (8-9)	120.0	141.0	-14.9%
	PAT Margins (%)	1.1%	1.5%	

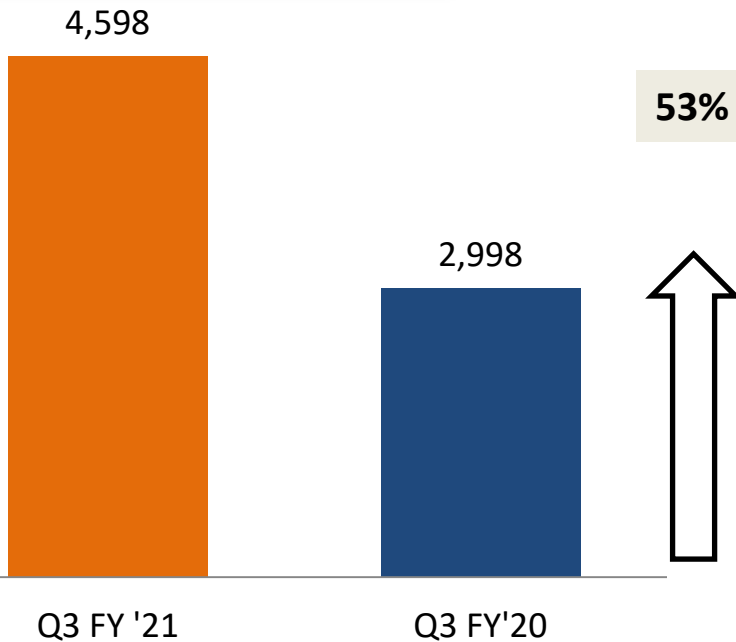
Note: Reported EBITDA includes derivative and foreign exchange Gain of Rs 264.5 mn & Rs 39.3 mn in 9M Fy'21 & Fy'20 respectively



Strong Revenue Performance across all business segments

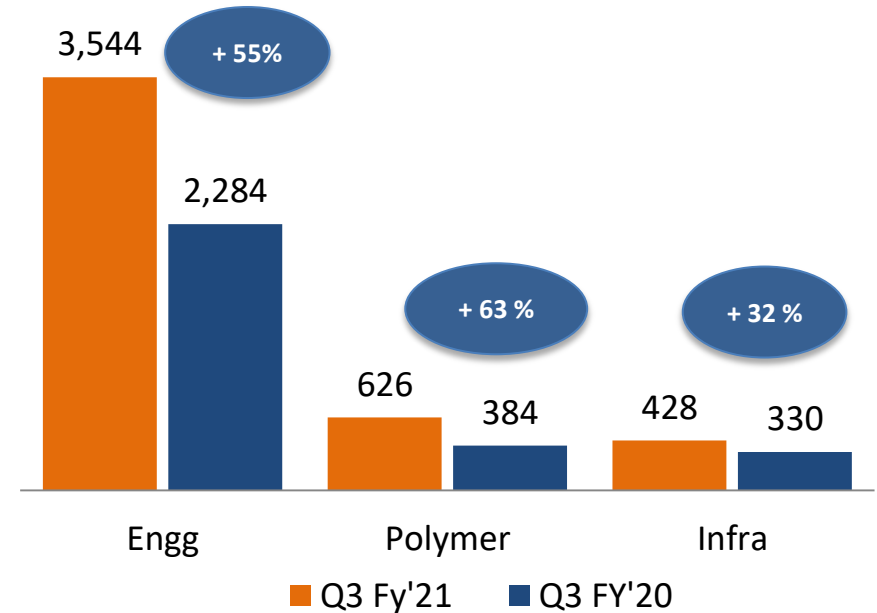
Stand Alone - Revenue

Rs in Mn



Segment - Revenue

Rs in Mn



Our Integrated Plant functions, close proximity to raw material sources and employment of local labor in our Mfg plants - provides us a great edge and control in our operations and supply chain management, helping us to overcome this crisis quickly.

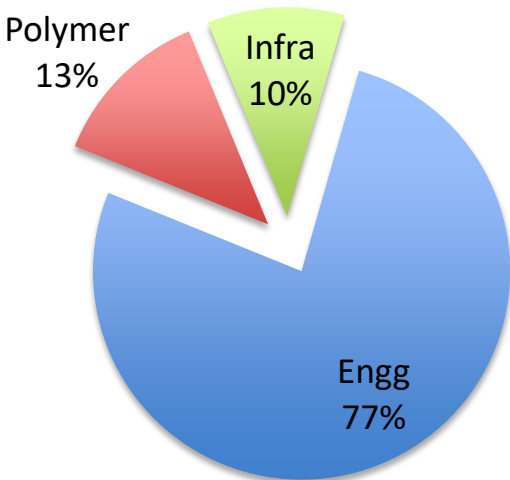


Q3 FY'21 - Performance Update

- ❑ Strong Revenue performance across all the business segments
- ❑ Focus continues on Bottom-line improvement; PBT & PAT grew significantly in compare to previous year quarter.
- ❑ Unprecedented commodity price rally in our Key raw material items (i.e Steel & Zinc) and higher ocean freight rates adversely impacted profitability of our Engineering segment business.
- ❑ Finance cost as % of sales reduced to 3.7% against 6.7 % in previous year quarter.
- ❑ Secured new orders of Rs 2,300 million in Q3 FY'21 for engineering products supplies from PGCIL, SEB's, Telecom and for supplies across various export markets ; YTD inflow at 4,940 million
- ❑ Actively pursuing projects worth Rs 28,000 million on international front and about Rs 12,500 million on the Domestic front.
- ❑ Stronger expected execution in both Engineering & Polymer segment going forth coupled with Productivity and cost reduction initiatives at the plant and site level are expected to further improve efficiency in operations and aid to stable margins
- ❑ Fully operationalised state of art Transmission Line Tower Testing Station (DSIR recognised).



Segment Performance Q3 & 9M FY'21



Segment	Profit & Loss Summary	Q3 FY'21	Q3 FY'20	Change %	9M FY'21	9M FY'20	Change %
Engg Products	Net Sales	3,544.1	2,284.6	55.1%	8,321.2	7,860.5	5.9%
	EBITDA - Operating	301.7	293.8	2.7%	692.9	1,021.7	-32.2%
	% of Sales	8.5%	12.9%		8.3%	13.0%	
PVC Products	Net Sales	626.0	384.0	63.0%	1,373.5	925.0	48.5%
	EBITDA - Operating	22.5	14.9	50.9%	25.6	25.0	2.4%
	% of Sales	3.6%	3.9%		1.9%	2.7%	
Infra Projects	Net Sales	428.4	329.8	29.9%	1,146.9	731.0	56.9%
	EBITDA - Operating	36.5	21.4	70.5%	26.2	33.3	-21.4%
	% of Sales	8.5%	6.5%		2.3%	4.6%	
Total	Net Sales Total	4,598.5	2,998.4	53.4%	10,841.5	9,516.5	13.9%
	EBITDA Total	360.7	330.1	9.3%	744.7	1,080.0	-31.0%
	% of Sales	7.8%	11.0%		6.9%	11.3%	

Note: Segment Operating EBITDA is net of Forex and includes allocation of un-allocable expenditure in pro-rata share of Sales & Capital Employed in their respective segment



Debt Details

Rs in Million

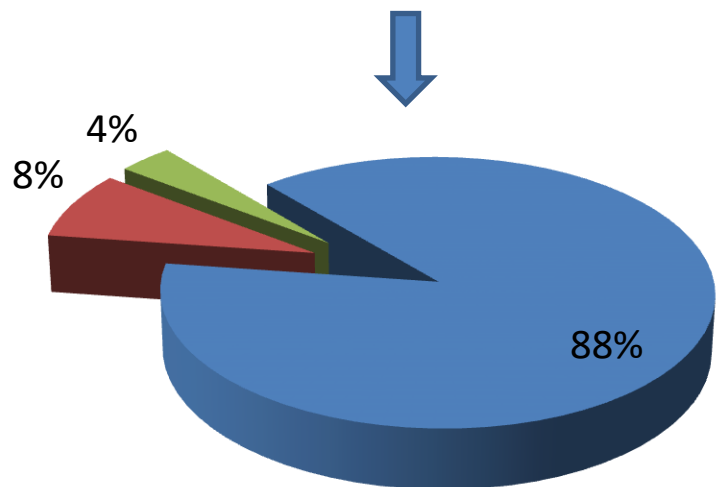
	31.03.2020	31.12.2020	Inc / (Dec)
Long Term Debt	1,569	2,083	514
Current Maturities of Long Term Debt	344	700	356
Total Long Term Debt	1,913	2,783	870
Short Term Debt	2,624	1,226	(1,398)
Gross Debt Level	4,537	4,009	(528)
Debt Equity Ratio (X)	0.66	0.57	(0.09)

- ❑ Gross Debt reduced by Rs 528 million during the period, on account of better working capital utilisation.
- ❑ 9M YTD Finance cost down by 21 % in compare to previous year
- ❑ Efforts continues on cash flow & balance sheet consolidation, focus to improve bottom-line profitability



Engineering Products – Order Book Composition – Dec 2020

**Total Order Book
Rs 15,990 million**



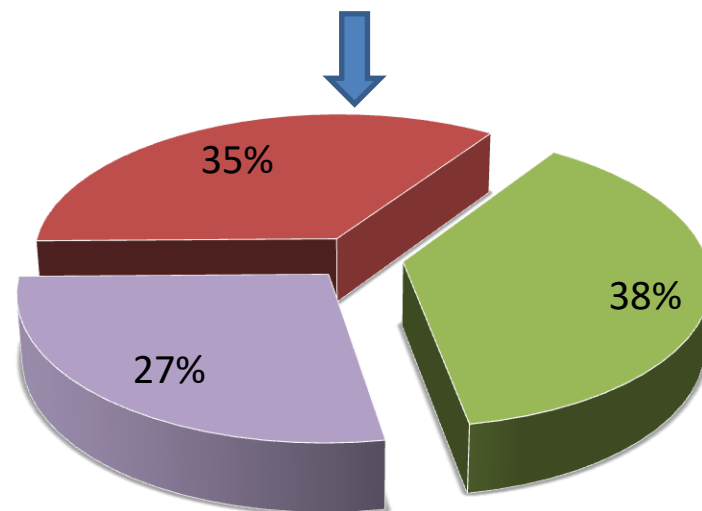
■ T&D ■ Telecom ■ Railways

Domestic – 67%

Export – 33%

T&D Breakup

**T&D Order Book
Rs 14,120 million**



■ PGCIL ■ SEB & Others ■ Export



**Strong Bidding Pipeline of 40,500 Million as on 31st Dec 2021;
International – 28,000 Mn & Domestic - 12,500 Mn**

- Expecting International Ordering & Execution to gain pace in Q4 FY'21;
- In advanced Stages of negotiation to secure some good size International contract
- Large pent up demand in domestic T&D ; Order awards continues to remain muted
- Increased focus on building up Engineering capabilities

International

- ✓ Growing global competitiveness; Focusing on international markets to drive the ordering growth;
- ✓ Strong Anti China Sentiment; and global supply chain now actively looking for reducing their dependence on China is a great positive outcome of this crisis ; will bring more opportunities on our way
- ✓ Majority of New Transmission lines are now getting built to cater renewables; leading to shorter execution cycle and faster supplies to meet project deadlines.

Domestic

- ✓ After a 2 years lull, The domestic T&D activities are showing signs of rebound
- ✓ Large bunching up of order that remained postponed + Rs 500,000 million of GEC related projects to come up for bidding will provide much needed boost to the domestic transmission industry
- ✓ Tender Pipeline continues to stay strong, Many tenders in the domestic T&D market which got postponed, largely GEC related projects – now expected to be concluded in Q4'21 / Q1'22 .



Steps towards growing international presence

International Certifications

Credential Establishments

Audit Approval of Plant

Registration with
International EPC players

FY' 21 & FY'22 Time to ripe the benefits

- Major regulatory approval done
- Established relations with 100 global EPC players
- **Our International bidding pipeline of 28,000 million are at the highest level in company history, is a true testimony of our efforts**
- **We are at inflection juncture and targeting to grow exports geographies**





PERFORMANCE OUTLOOK

Covid Lockdown impact is more of a Revenue deferment for us rather than revenue loss, None of our projects got cancelled neither faced any significant deferment.

Company expects to clock double digit annual revenue growth in FY'21 on back of strong pending execution of engineering contracts and strong polymer segment performance;

Expect good traction in International TL orders, While pending domestic TL ordering bids are expected to get awarded by Q4'21 / Q1'22

Focus on mechanisation and automation along with several cost reduction initiatives to further improve efficiency in operations and aid to stable margins

Implementation of TOC in both Engineering and Polymer business to significantly improve its working capital cycle and bottom-line profitability

Future Ready



Skipper boasts of largest Tower & Monopole Load Testing Station in India, which is also one of the largest in the world.

- Started Operations in the state of art Transmission Line Tower Testing Station is spread across 14 acres of land in Howrah, West Bengal commissioned in March'20.
- Approved and recognized by Dept. of Scientific and Industrial Research (DSIR), Govt. Of India.
- One of the largest Testing facilities of India and first of its kind in Eastern India
- Capable of Full scale load testing, a reliable tool for validating the structural design
- The facility is designed to Test all kinds of Lattice Towers, Monopoles & Guyed Towers with World Class Technical Parameters
- Ultimate Destination for OHTL Contractors & Manufacturers for Prototype Testing

For the first time ever, all new large T&D projects in domestic markets comes along with Design and Load testing scope; Our new R&D centre will give us distinct advantage over competition.



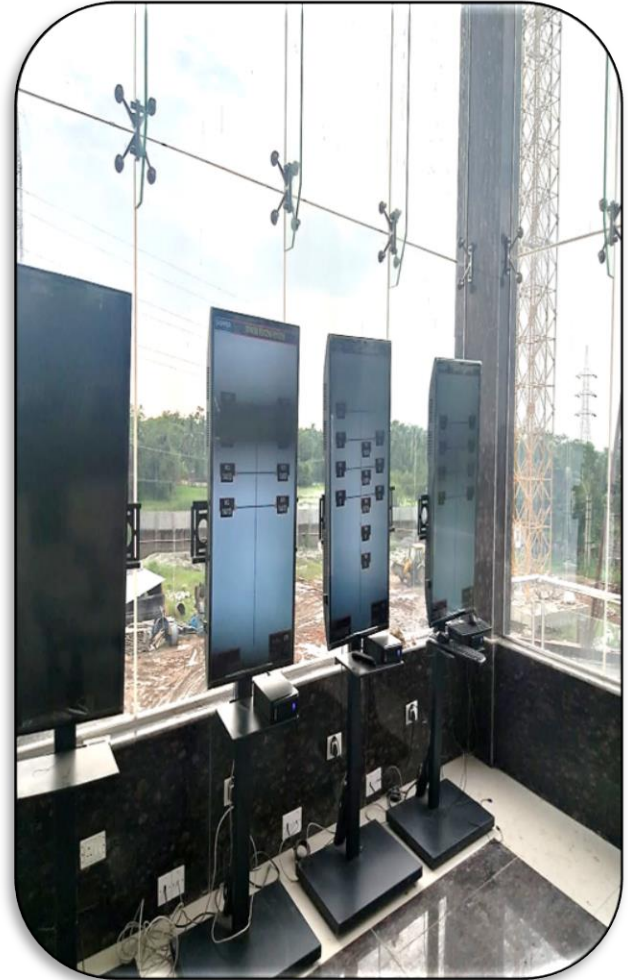
Skipper USP

- Towers upto 1200kV with 110m height (highest in the country) can be tested seamlessly
- Automated central loading and supervision system to regulate the actual loading
- Customized designs by our Designers for optimum efficiency
- Dual-speed VFD Driven Electrical Winches for smooth loading
- Exceptionally heavy Towers can be loaded optimally (1000t per leg) and large base width (up to 35m)
- Skipper's dedicated in-house R&D center allows study and up gradation of various Transmission Tower Testing methodologies. The center helps our team offer customized and breakthrough solutions to our clients every time



Test Bed Key Features

- | | |
|--|---|
| • Maximum Test Tower Base Width | – 35M x 35M |
| • Maximum Test Tower Height | – 110M |
| • Maximum Compression / Uplift per Leg | – 1000T |
| • Allowable Overturning Moment | – 60,000 T-M |
| • Maximum Cross Arm Spread | – 70M |
| • Maximum Transverse Wire Load | – 120T per point |
| • Maximum Longitudinal Wire Load | – 80T per point |
| • Maximum Vertical Wire Load | – 60T per point |
| • Load Application System | – 60 Nos. 5T & 10T capacity Electrically Operated Winches |
| • Load Measurement System | – Strain Gauge Type Load Cell |
| • Material Testing and Calibration | – 60t digital UTM |
| • Tower Erection through | – 10t Tower Crane |



Thank You

For any queries please contact:

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