SKIPPER LIMITED

INVESTOR PRESENTATION
Q4 & 12M FY'22 Results

11th May, 2022

DISCLAIMER

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Great Place To Work®
Certified
JAN 2022 - JAN 2023
INDIA

Company is India's largest and world's only Integrated T&D company having its own Structure rolling, manufacturing, Tower Load Testing Station & Transmission Line EPC.

SKIPPER: ONE-STOP SOLUTION PROVIDER

Engineering products

Capacity: 300,000 MTPA

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

Highlights

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

Revenues (FY'22)
Rs13,218 mn

Polymer products

Capacity: 51,000 MTPA

- UPVC Pipes
- CPVC Pipes
- SWR Pipes
- HDPE Pipes
- CP & PTMT
- Polymer Water Tanks
- Fittings

Highlights

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

Revenues (FY'22)
Rs3,200mn

Infrastructure projects

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

Highlights

- Forward integration activity
- Aimed at high-margin projects

Revenues (FY'22)
Rs 652 mn

SKIPPER LIMITED

Performance Update

Q4 FY’22 Update

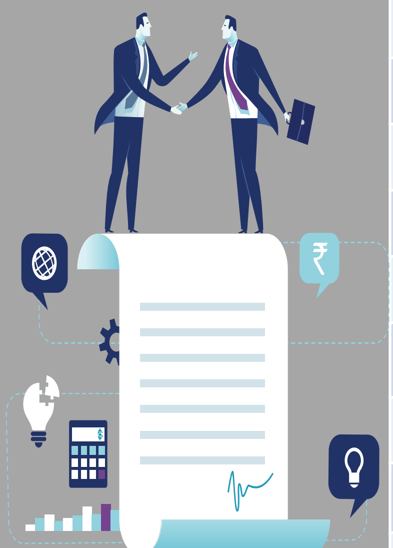
Net Sales	YoY up by 11 %	**EBITDA**	YoY up by 44 %
	QoQ up by 38 %		QoQ up by 30 %
OPM %	YoY up 260 bps	**PAT**	YoY up by 177 %
	QoQ down 70 bps		QoQ up by 197 %

Rs in Mn

Sl	Profit & Loss Summary	Q4 FY'22	Q4 FY'21	YoY Change %	Q3 FY'22	QoQ Change %
1	Revenues	5,526.5	4,973.5	11.1%	4,005.0	38.0%
2	Reported EBITDA	616.7	427.9	44.1%	475.1	29.8%
	EBITDA Margins (%)	11.2%	8.6%	+ 260 Bps	11.9%	-70 Bps
3	(+) Other Income	10.6	23.8		10.6	
4	(-) Depreciation	122.1	116.4		121.7	
5	(-) Finance Cost	254.1	209.5		228.1	
	Finance cost as % to Revenue	4.6%	4.2%		5.7%	
6	Profit Before Tax (2+3-4-5)	251.1	125.9	99.5%	136.0	84.6%
	PBT Margins (%)	4.5%	2.5%	+200 Bps	3.4%	+110 Bps
7	Tax	(0.1)	35.0		51.5	
8	Profit / Loss After Tax (6-7)	251.2	90.9	176.6%	84.5	+197.3%
	PAT Margins (%)	4.6%	1.8%	+280 Bps	2.1%	+250 Bps

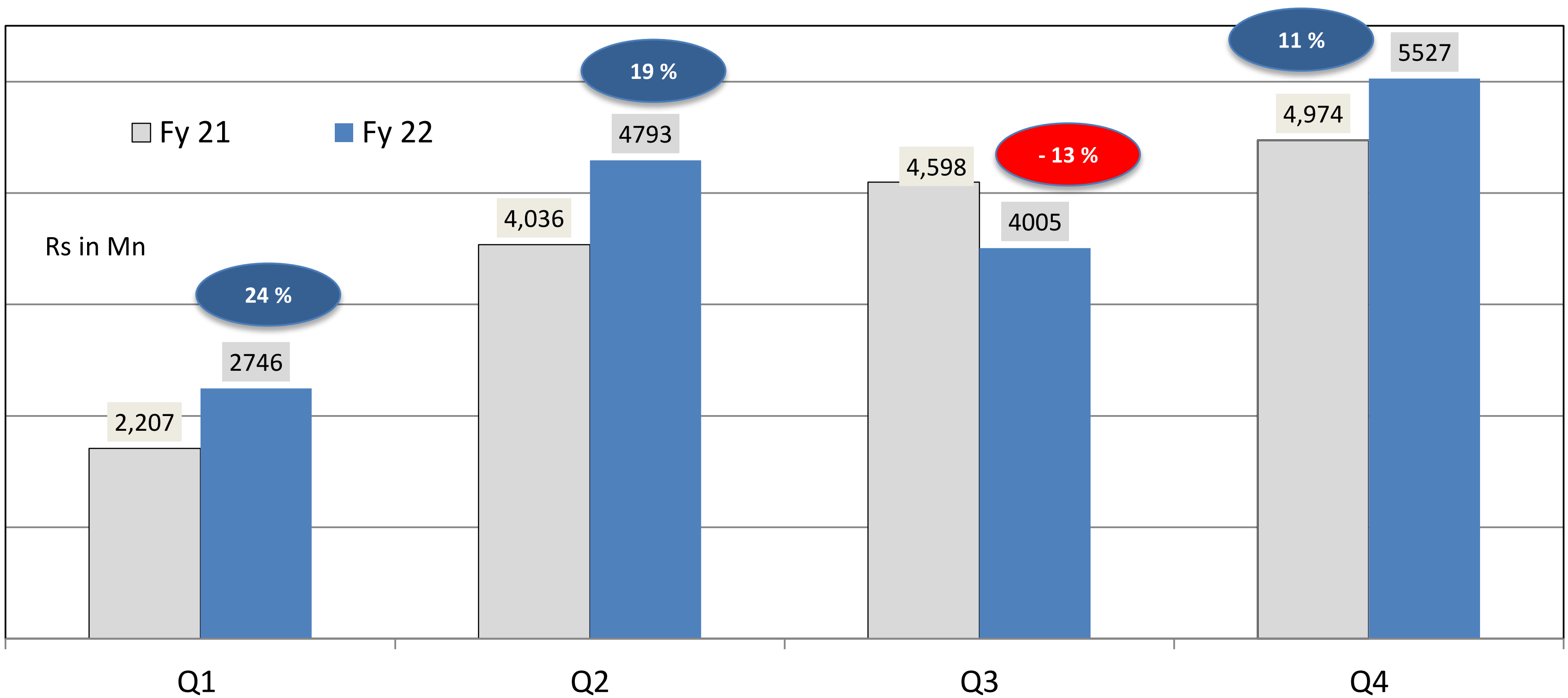
SKIPPER Limited | Stand Alone – Financial Performance 12 M FY'22

Rs in Mn



Sl	Profit & Loss Summary	12M FY'22	12M FY'21	Change %
1	Revenues	**17,070.8**	**15,815.1**	**7.9%**
2	Reported EBITDA	**1,678.3**	**1,437.1**	**16.8%**
	EBITDA Margins (%)	**9.8%**	**9.1%**	**+70 Bps**
3	(+) Other Income	**40.1**	**40.2**	
4	(-) Depreciation	**484.9**	**452.6**	
5	(-) Finance Cost	**930.0**	**723.6**	
	Finance cost as % to Revenue	**5.4%**	**4.6%**	
6	Profit Before Tax (2+3-4-5)	**303.5**	**301.2**	**0.8%**
	PBT Margins (%)	**1.8 %**	**1.9%**	
7	Tax	**17.4**	**90.4**	
8	Profit / Loss After Tax (6-7)	**286.1**	**210.8**	**35.7%**
	PAT Margins (%)	**1.7 %**	**1.3%**	

Consistent & Improved Revenue Performance Trend

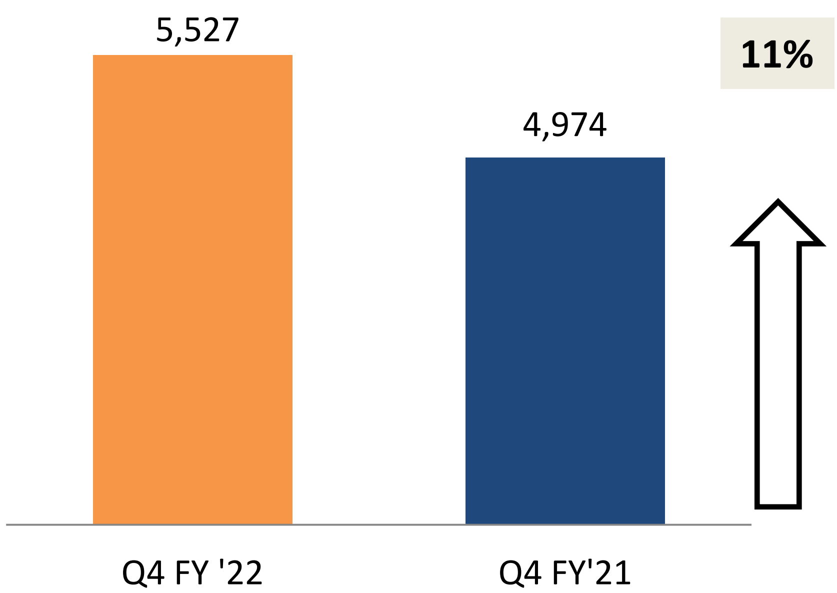


- **Increased focus on Engineering Exports – Full year export revenue achieved Rs 3,700 mn inspite of sea freight and container availability issues.**
- **Strong traction in Polymer business led to improved performance – Full Year Revenue Rs 3,200 mn Vs Rs 2,165 mn in FY'21 (+ 48%)**

Strong Revenue Performance across major business segments

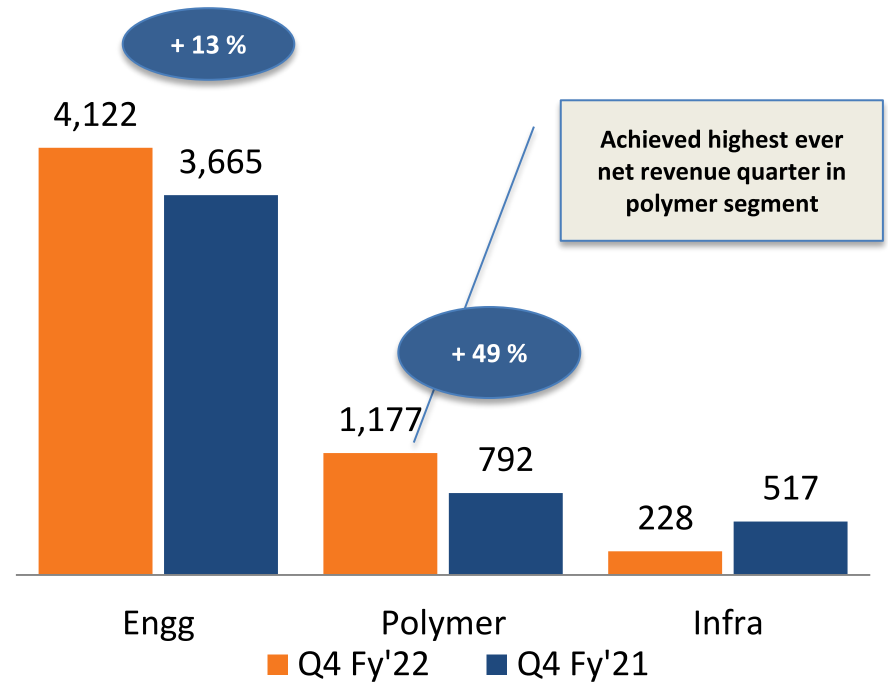
Stand Alone - Revenue

Rs in Mn



Segment - Revenue

Rs in Mn



- **Engineering exports increased to Rs 1,462 mn (+ 14% over corresponding last year qtr & + 131% over previous qtr)**
- **Revenue pie from Polymers increased from 16 % to 21 %**

Q4 Fy'22 EBITDA Margin improved on account of -

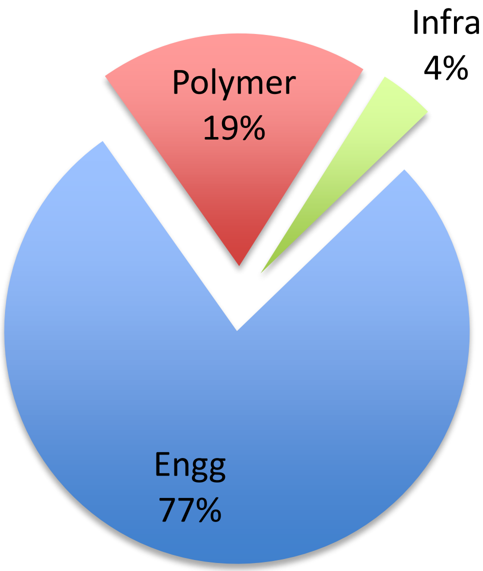
- Parting away with majority of old legacy and CIF contracts aided to better margin performance in engineering business:
- Strict control over fixed cost and cost reduction initiatives aided to better margin performance;
- Polymer segment attaining Scale and Size, getting benefited from fixed cost getting rationalised over larger revenue base.
- Raw material price volatility & container unavailability continues to remain a challenge, company is taking adequate measures to mitigate the same

Going forth most of the revenue execution will take place from newer contracts which were secured on FOB terms and at elevated commodity price level aiding to better margin performance

Segment Performance Q4 & 12M FY'22

Rs in Mn

Segment	Profit & Loss Summary	Q4 FY'22	Q4 FY'21	Change %	12M FY'22	12M FY'21	Change %
Engg Products	Net Sales	4,121.7	3,665.0	12.5%	13,218.5	11,986.2	10.3%
	EBITDA - Operating	535.0	364.5	46.8%	1,416.2	1,057.0	34.0%
	% of Sales	13.0%	9.9%		10.7%	8.8%	
PVC Products	Net Sales	1,177.2	791.9	48.7%	3,200.2	2,165.4	47.8%
	EBITDA - Operating	61.0	46.5	31.2%	110.1	70.5	56.1%
	% of Sales	5.2%	5.9%		3.4%	3.3%	
Infra Projects	Net Sales	227.6	516.6	-55.9%	652.2	1,663.5	-60.8%
	EBITDA - Operating	9.0	2.3	286.3%	(38.4)	30.5	-225.7%
	% of Sales	4.0%	0.5%		-5.9%	1.8%	
Total	Net Sales Total	5,526.5	4,973.5	11.1%	17,070.8	15,815.0	7.9%
	EBITDA Total	605.0	413.3	46.4%	1,487.9	1,158.0	28.5%
	% of Sales	10.9%	8.3%		8.7%	7.3%	



Revenue Mix – 12M FY'22

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

Debt Details

Rs in Million

	31.03.2022	31.03.2021	Inc / (Dec)
Long Term Debt	2,120	2,563	(443)
Current Maturities of Long Term Debt	679	586	93
Total Long Term Debt	**2,799**	**3,149**	**(350)**
Short Term Debt	2,868	1,236	1,632
Gross Debt Level	**5,667**	**4,385**	**1,282**
Debt Equity Ratio (X)	**0.77**	**0.62**	**0.15**

- ❑ Unavailability of export containers led to some piling of finished goods
- ❑ Continuing Port Congestion and delays making shipping transit time longer; leading to delayed collection & higher finance cost ;
- ❑ Deliberately held high level of RM inventory to mitigate commodity price risk on secured contracts; Prices of key raw materials have gone up by over 30-40% during last quarter on account of Geo political issues, leading to increased working capital utilisation
- ❑ Efforts continues on cash flow & balance sheet consolidation, focus to improve bottom-line profitability

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Key Performance Highlights

- Strong revenue performance across major business segments in spite of inflationary cost push and geo-political related challenges; Achieved highest ever quarterly & Annual revenue performance in Polymer segment
- Unavailability of Sea Containers and longer lead time adversely impacted export revenue execution of engineering business
- Stand Alone EBITDA margins improved to 11.2% in compare to 8.6 % in previous year quarter and 9.8 % for the current year in comparison to 9.1% in previous year
- Focus continues on Bottom-line improvement; PBT & PAT grew by 100 % and 177 % over previous year quarter

Order Book Highlights

- Secured new order inflow of Rs 2,710 million during the quarter; YTD order inflows in excess of Rs 16,480 million, registering a staggering growth of ~ 158 % over the last year same period
- Secured a significant size supply order in North America for Monopoles.
- Actively pursuing projects worth Rs 45,000 million on international front and about Rs 50,000 million on the Domestic front.
- All new large T&D projects in domestic markets now comes along with Design and Load testing scope; Our new R&D centre will give us distinct advantage over competition.

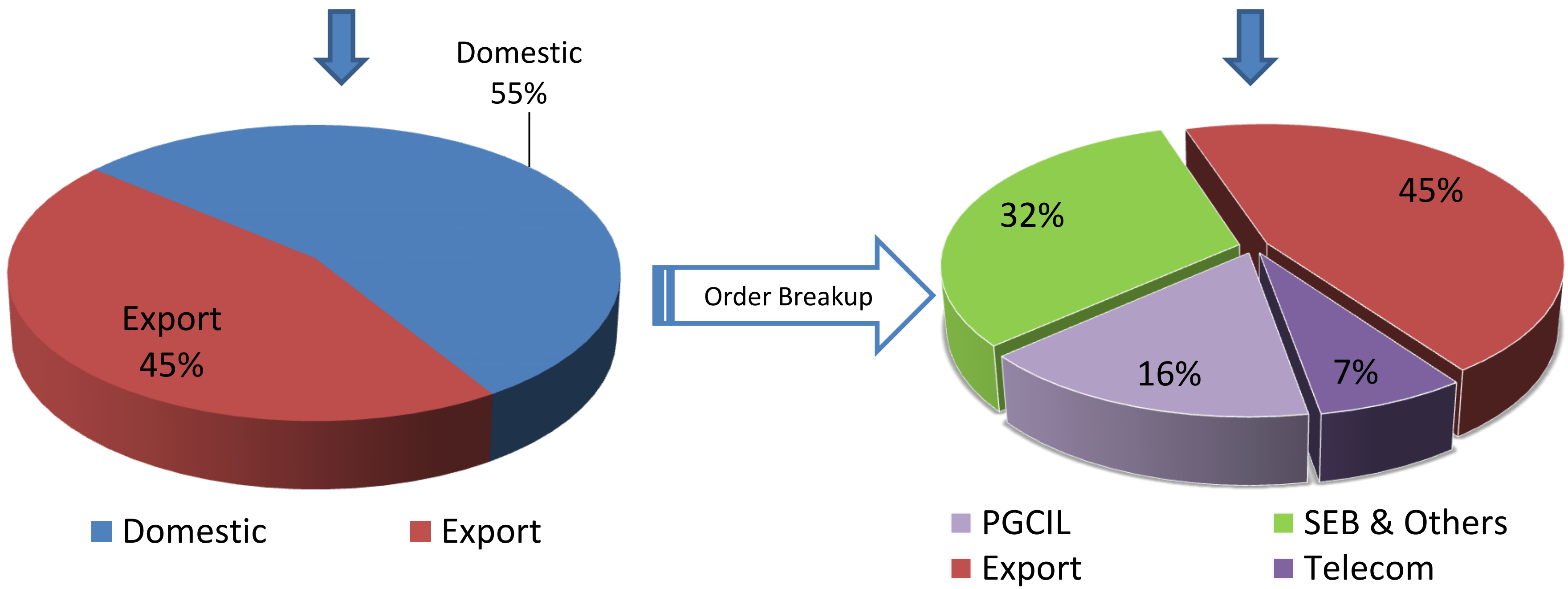
Other Update

- Added New products in the polymer pipe segment - Launched "Marina" Water Tanks under the Skipper Pipes brand.
- Successfully completed the assessment conducted by Great Place to Work Institute, India, and is certified a great workplace
- Plants operating with strict COVID-19 protocols with contingency planning; Health and safety of employees and partners remains key focus area for the company

Engineering Products – Order Book Composition – March 2022

Total Order Book
Rs 21,150 million

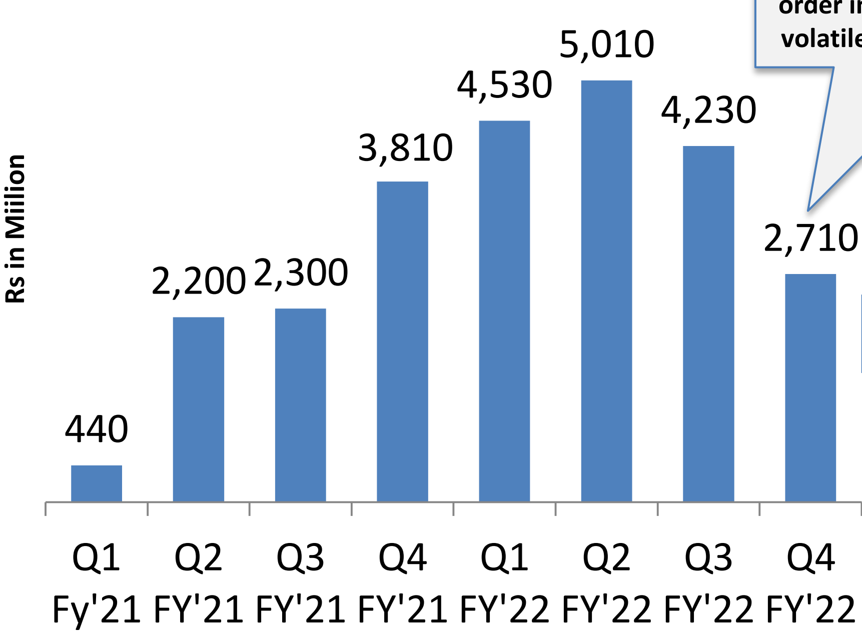
Segment Break up



Engineering Products – Order Inflow Composition

- New Order Intake of Rs 2,710 million in Q4 FY'22 & Rs 16,480 million in 12M Fy'22 for engineering products supply from PGCIL, SEB's & Telecom Players and for various supplies across Asia Pacific, Middle East, Africa and LATAM markets
- T&D Order Book well diversified between Power Grid, Domestic SEB / Private players and international
- Strong growth trajectory in Telecom in both domestic & International markets; Made inroads into 3-4 newer export geographies which were earlier dominated by Chinese players

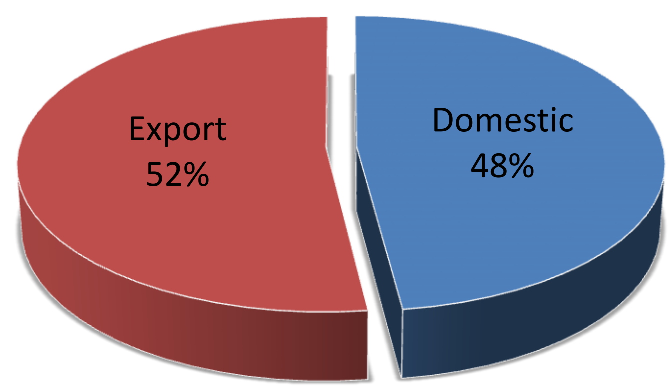
Qtr Wise - Order Inflow Trend



A large percentage of orders available in the market are on fixed price basis, thus company is adopting a cautious approach in new order intake considering the present volatile commodity market scenario

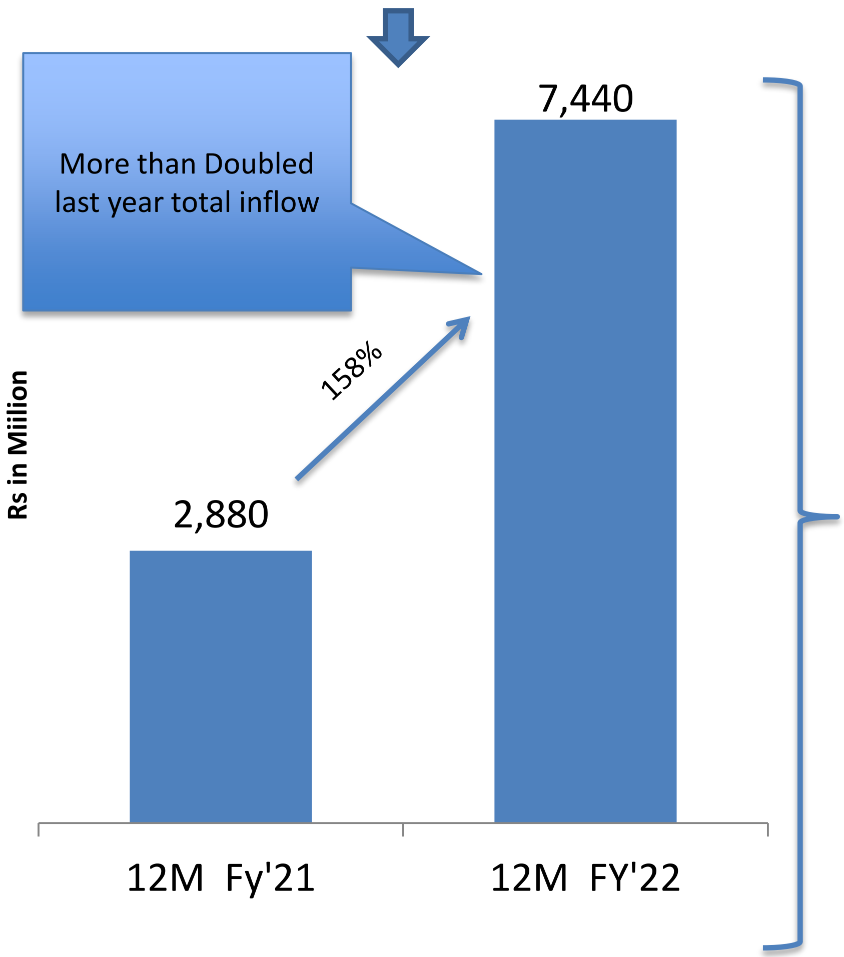
Q4'22 Inflow Composition

Q4 FY'22 Inflow Composition Rs 2,710 million



Rising Export Share Inflow

Export Order Inflow Trend



Positioned to grow export business to 75% of Engineering revenue in next 2 years

- Secured new export orders in excess of Rs 7,440 million during the year.
- A large percentage of orders available in the market are on fixed price basis, thus company is adopting a cautious approach in new order intake considering the present volatile commodity market scenario
- Customers have now willingly started accepting Price variation clauses - **resulting in finalization and awarding of long pending order with them.**
- Made inroads into North America, Asia Pacific, Middle East and West African market with 3-4 large utilities, which were earlier dominated by Chinese players.
- In advanced stages of negotiation to secure 2-3 large size contracts
- Majority of New Transmission lines are now getting built to cater renewables; leading to shorter execution cycle and faster supplies to meet project deadlines.
- Bid to - order life cycle which got prolonged due to covid led disruption have returned back to normalcy

Strong Bidding Pipeline of 95,000 Million as on 31st March 2022;
International – 45,000 Mn & Domestic - 50,000 Mn

- **Expecting International Ordering & Execution to gain pace ;**
- **In advanced Stages of negotiation to secure some good size International contract**
- **Large pent up demand in domestic T&D ; Ordering continues to remain muted**
- **Increased focus on building up Engineering capabilities**

International

✓ Growing global competiveness; 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

✓ The domestic T&D actvities are showing signs of rebound, Company's Order bidding pipe line remains strong at Rs 20,000 mn.

✓ Tender Pipeline continues to stay strong, Many tenders in the domestic T&D market which got postponed - now expected to be concluded in next few months.

✓ Strong traction in domestic telecom on account of 5G Rollout / High bandwidth usage.

✓ Ahead of the rollout of the high speed 5G network, the government is set to give a massive push to telecom infrastructure across the country with plans to add 8 lac new mobile towers over the next 2 years

Managing RM Price Volatility

- **Uncertainty towards Commodities trade have loomed with the war as both Russia and Ukraine are major exporters of Key commodities and even more important billet exporters. Given the expectation of export disruptions in both countries, Steel Metallic and Finished prices have increased following the invasion.**
- **The company is taking all necessary steps to tackle & neutralise the impact of this temporary RM volatility / Container Freight issues and protect margins -**

Mitigation Strategy	
	Securing Newer Contracts at elevated commodity price level, Preferring Contracts with price variance over Fixed Terms
	Participating in Fixed Price Contracts with Sufficient cushion and building high risk premium margins into our working estimates (Limited cases)
	Took advantage of low working capital debt level of company to keep higher raw material inventory so that a larger portion of the fixed price contracts are covered with the inventory
	Started Hedging Zinc & Flat Steel Exposure through Vendor & commodity exchange both International (LME, CME) and domestic (MCX, BSE)
	Expanding Raw material supplier base ; Negotiating firm prices contract with raw material supplier for longer duration
	Forging Tie-ups with major raw material suppliers with minimum up-liftment commitment to gain maximum possible rebates and discounts.
	Considering lack of container availability at ports and High Sea Freight rates – Company is trying to abstain itself from entering into Exports CIF Commitments, secured majority of newer export contracts on FOB terms only

SKIPPER'S POLYMER BUSINESS

Polymer manufacturing capacity of 51,000 MTPA

Plants invested state-of-the-art manufacturing technology

Guwahati Fittings Plant enjoys tax exemption

Among few Indian companies assured of CPVC for pipes manufacture

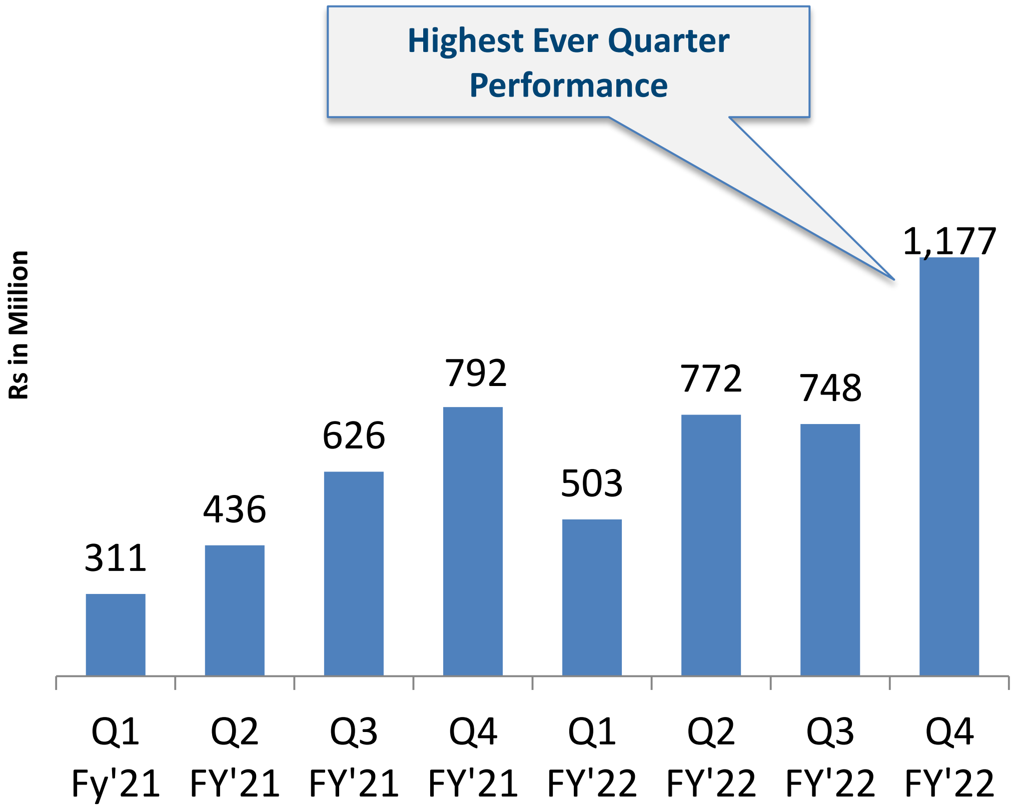
One of few Indian companies with NSF certification

Quality certifications

• ASTM D-1785, ASTM D-2467, ASTM D-2846 • IS: 12818 • IS: 13592 • IS: 4985 • IS: 15778 • IS: 13592 • IS: 14735 • IS: 10124 • IS: 14182 • NSF

Polymer – Improving Revenue Performance

Highest ever Annual Revenue of Rs 3,200 million



Major Highlights

- Only Polymer Pipe company in India to implement TOC into its operation
- Growing National Presence ;
- Deriving 75% of overall revenue through TOC channel network
- Total Retailer Touch points in excess of 23,000 plus (nos) in March'22
- Retailer touch points increased 10(X) fold in last 2 year period
- Total Monthly Billed Retailers of 5,000 plus (nos)
- Focus on Plumbing Portfolio; 70 :30 Revenue mix share of Plumbing: Agriculture

OUR USP

Skipper is the only Indian polymer pipe company to implement Theory of Constraints (TOC) approach in an organized manner

Directed to empower the supply chain processes and systems

- Partnering benefits:
- Exponential Sales Growth & Gain in Market Share
- Robust Processes & Systems in place to improve profitability
- Consistent availability of entire range of products at billing points
- Improvement in working capital cycle and reduction of inventory days
- Gain of more output from the current capacity
- Improvement in ROI to dealers and distributors

SKIPPER BATH FITTINGS

SKIPPER Flow BATH ACCESSORIES

PTMT BATH ACCESSORIES

SKIPPER BATH ACCESSORIES Bravo Clean & Fresh

CISTERN & SEAT COVER

Added New products in the polymer pipe segment - Launched "Marina" Water Tanks under the Skipper Pipes brand.

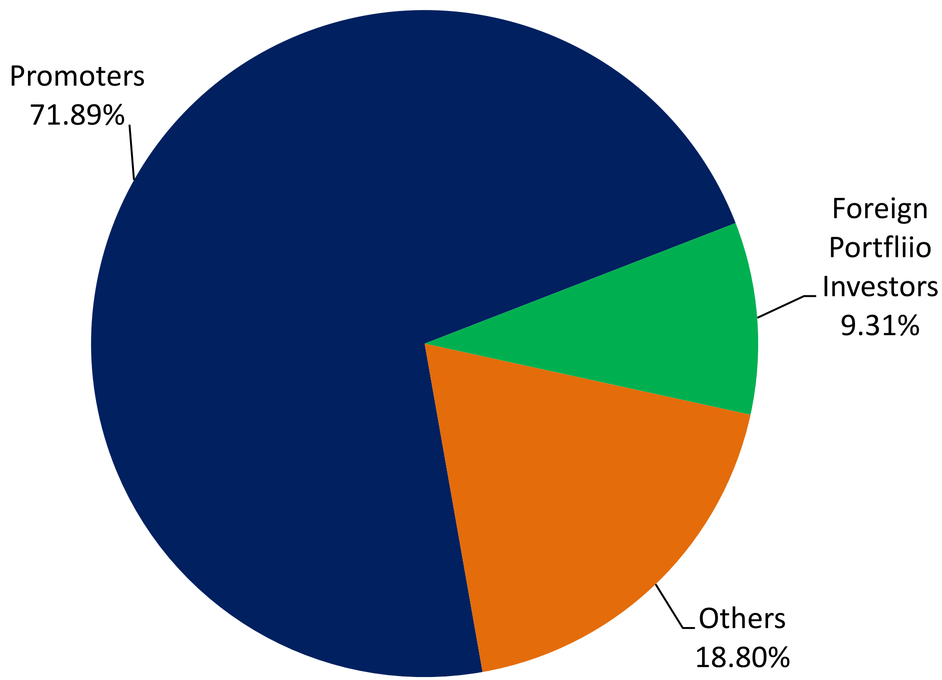
SKIPPER Limited | New Polymer Product Addition

SKIPPER BATH FITTINGS

PERFORMANCE OUTLOOK

- Company expects to clock high double digit annual revenue growth in Fy’23 on back of strong pending execution of engineering contracts and strong polymer segment performance ;
- Going forth most of the engineering revenue execution will take place from newer contracts which were secured on FOB terms and at elevated commodity price level aiding to continued better margin performance
- Targeting Inflow of Rs 22,000 - 25,000 million in Fy’23 , largely on account of international export orders and rebound in Domestic T&D ordering
- Expect good traction in International TL orders to continue, While pending domestic TL ordering bids are expected to start getting awarded by Q2 / Q3’23
- Continuing efforts to further strengthen the international T&D order book ; positioned to grow exports to 50% of engineering revenue in current year (FY’23) and to 75 % by next year (FY’24)
- Productivity and cost reduction cost reduction initiatives at the plant and site level are expected 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

Shareholding pattern as on 31st March 22



Major Institutional Shareholders As on 31st March 22

Name	%
Baillie Gifford - Pacific Horizon Investment Trust	4.31%
Ocean Dial Asset Management India (ICGF)	4.08%
Dovetail India Fund	0.63%

SKIPPER Limited

SKIPPER R&D

Future Ready

FOCUS ON GROWING EXPORTS

- **Optimistic outlook**: **Positioned to grow exports to 50% of Engineering revenue in current year (FY’23) and to 75 % by next year (FY’23).**
- **Opportunity-ready**: Certified by prominent international organizations for confidence-enhancing certifications
- **Established traction**: Working with over 100 Global EPC player ; Enlisted 10 Plus prominent customers in past 12 months
- **In House Design Capability:** With in-house design capability and human capital, we are able to add more value into the projects we bid, offering innovative, bespoke and cost-effective design solutions.
- **Creditable beginning**: first-time order and enquiries from USA, Germany, Spain, South Korea, Uruguay, Paraguay, Romania, Croatia, Mexico, Panama, Bolivia, Poland, Afghanistan, Russia, Australia and East / West African countries among others
- **Competitiveness**: Strong Anti-Chinese Sentiment and gradual decoupling from China is also causing many projects to seek alternative supply chains, giving further fuel to business potential coming our way.
- **Brand Positioning:** Our recently set up R&D Centre and Tower Testing Station have vastly improved our brand positioning in the export markets, helping us to be taken as a serious contender.

International certifications

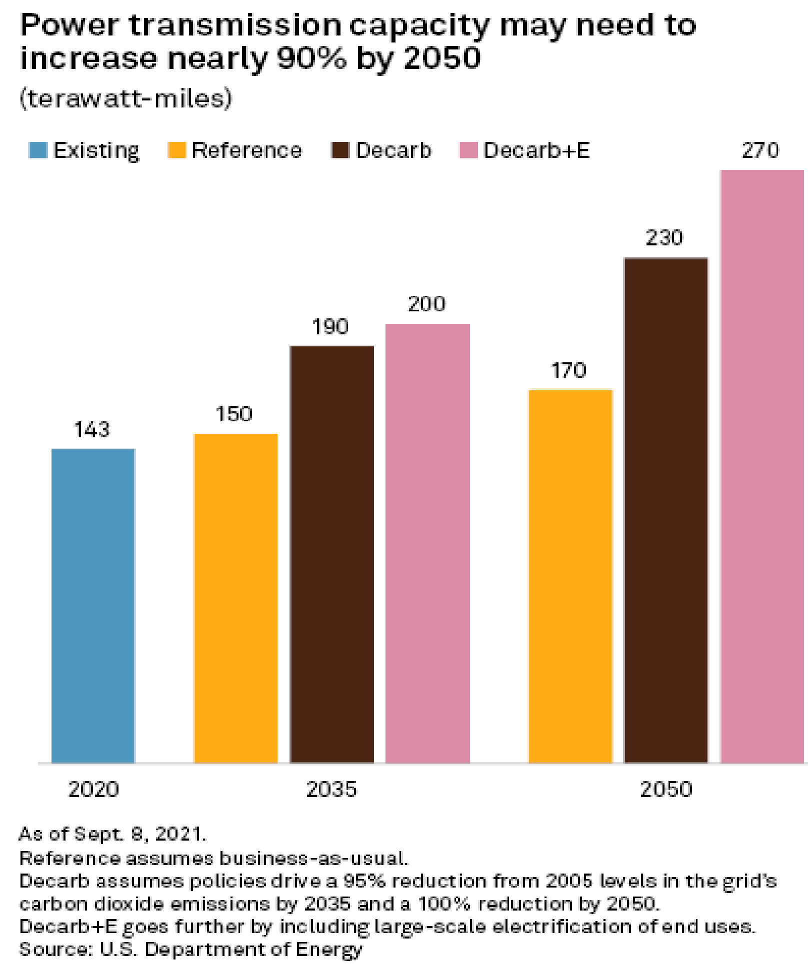
Certification	Country
CFE/LAPEM	Mexico
CWB	Canada & USA
DEWA	Dubai
ROHAS	Malaysia
CE CERTIFICATION	Europe
ACHILLES/STATNET	Nordics
Saudi Electric Company	Saudi Arabia
The Jordanian Electric Power Company Ltd	Jordan
RETIE	Colombia
EETC	Egypt
BPC	Bhutan
KETRACO	Kenya
TCN	Nigeria
NGCP	Philippines
DAST	European Union

With Major Approvals in place and strong relationship been developed with Major USA EPC players and Utilities over the past few years, Company is well poised to target and get benefitted from this massive Power T&D investment plans.

Big Opportunity – USA

With bipartisan support, the U.S. House of Representatives passed the US $ 1.2 Trillion Infrastructure Investment and Jobs Act on 5th November, 2021.

- The Bipartisan Infrastructure Deal's more than $ 65 billion investment includes the largest investment in clean energy transmission and grid in American history.
- Plans to upgrade the power infrastructure by building thousands of miles of new, resilient transmission lines to facilitate the expansion of renewables and clean energy, while lowering costs.
- Studies have estimated the U.S. will need to double or even triple its transmission capacity to decarbonize the country's economy.



Source : S&P Global

One Sun One World One Grid Project (OSOWOG)

- India and Britain signed a solar power initiative, called **One Sun One World One Grid**, that envisions an interconnected transnational solar grid.
- OSOWOG is India's initiative to build a global ecosystem of interconnected renewable energy resources
- A consortium steered by French state-run power utility firm Électricité de France SA (EDF) has been awarded the tender of crafting the road map for India's ambitious global grid. The other members of the consortium are France's Application Européenne de Technologies et de Services (AETS), and India's The Energy and Resources Institute (TERI).
- The three-member consortium will develop OSOWOG's long-term vision, implementation plan, road map, and institutional framework including a technical and financial proposal.
- By 2050, the grid aims for 2600GW of interconnection.

Strong Opportunity in India's T&D Sector

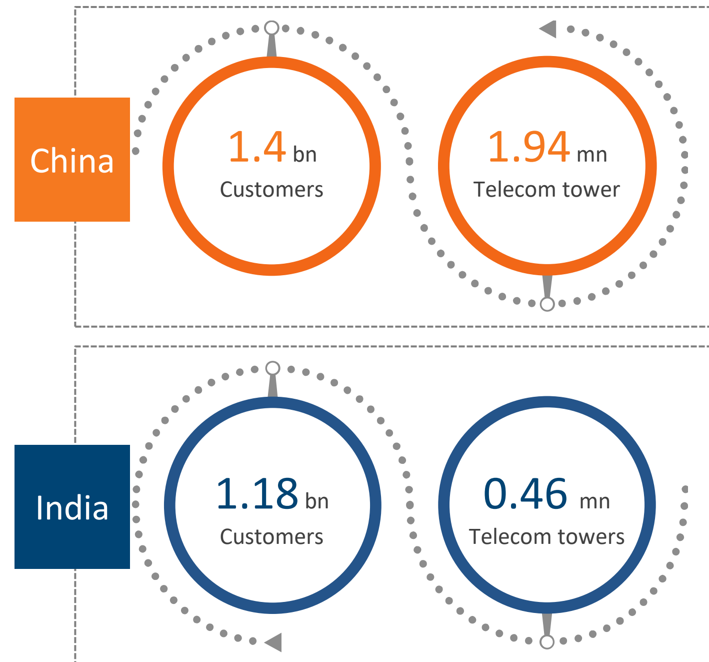
- Scaling up India's ambitious agenda to combat climate change , Prime Minister Mr Narendra Modi delivering his national statement at the COP 26 summit has announced India's plan to increase its non fossil energy capacity to 500 GW and meet 50% of its energy requirements through renewables energy by 2030 - **opens up an unprecedented opportunities to the tune of USD 221 billion by 2030.**
- **Union Cabinet of India has recently approved the second phase of the Green Energy Corridor of the Intra-State Transmission system for building 10,750 km long cKm across the country states**. The scheme is a crucial component of India's plans to generate 500 GW of renewable energy by 2030. German state-owned investment and development bank group KfW will provide the loans for the scheme.

SKIPPER IS CLEARLY POISED TO BE IN THE WINNING SPOT IN THE INTERNATIONAL T&D SECTOR

- Skipper is the highest accredited manufacturers in India for supplying to global markets
- Largest and lowest cost manufacturer out of India and one of the lowest globally
- In between 2005 – 15 Skipper supported multiple Indian non integrated T&D EPC Contractors (holding major market share) with low cost reliable Transmission Tower supplies (Towers are almost 50% of the value of any project).
- Currently replicating the same format in International markets with major International EPC contractors, helping them leverage their relations with the Utilities better
- Increase in approvals such as CWB (North America), CE & DAST (Europe), Lapem (Central America & Mexico),, DEWA (Middle east), Achilles (Nordic countries) and Sirim (South East Asia) which gives it better access to T&D business in these regions. Continuously increasing , Utility approval list with more key utilities in the European markets

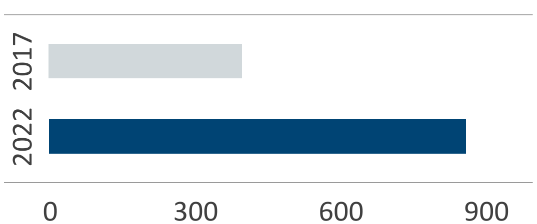
TELECOM TOWER

- India needs around 800,000 additional towers to address digital growth and 5G Roll out
- National Telecom Policy aims to inspire $100 bn investment in five years
- India's 30 per cent broadband penetration leaves large headroom
- Sector added 65,000 mobile towers in two years
- Expansion of 4G, 5G, Artificial Intelligence, Virtual Reality, Internet of things and M2M among others are driving the need for more towers

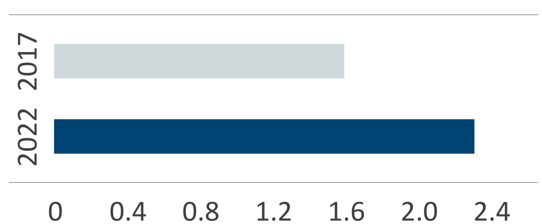


INDIA ON THE CUSP OF MOBILE DATA EXPLOSION

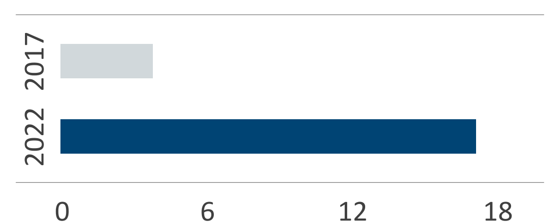
India;s smartphone users has more than double by 2022 (in mn)



The number of connected devices will boom in india (in bn)

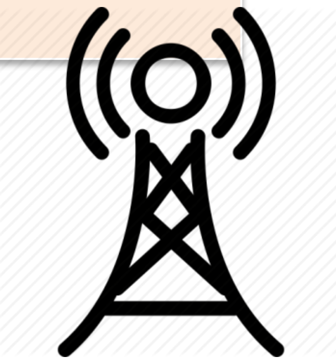


Average mobile data consumption per month in India (in gigabytes)



SKIPPER IS CLEARLY SET TO BE IN THE WINNING SPOT IN THE TELECOM SECTOR

- Large engineering capacity to support manufacturing of Telecom structures
- Proximity to focus Telcos markets - East & North East
- Tie up with one of world's leading tower design company - Ramboll
- Long standing relationships with major telecos in India and abroad



SKIPPER Limited | **Transmission Line Tower Testing Station**

SKIPPER R&D

Skipper boasts of India 's largest Tower & Monopole Load Testing Station -

- All new large T&D projects in domestic markets now comes along with Design and Load testing scope;
- Our new R&D centre will give us distinct advantage over competition.
- Facility running at 100% capacity

Few Power Transmission Towers & Monopoles tested at our Testing Station

765kV S/C Monopole

220kV Transmission Tower

765kV Transmission Tower

400kV D/C Quad Moose Monopole

500kV Transmission Tower

SKIPPER VACCINATION DRIVE

More than 2,200 + Employees and Workers were Vaccinated

Thank You

For any queries please contact:

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