



Date: 12 August 2021

The Manager
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C-1, Block-G
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051

The Manager
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai- 400 001

NSE Scrip Name- SKIPPER/BSE Scrip Code- 538562

Re: Investors Presentation

Dear Sir,

We are forwarding herewith Investors Presentation on the financial performance of the Company for the first quarter ended 30 June 2021.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Skipper Limited

Manish Agarwal

Manish Agarwal
Company Secretary & Compliance Officer

Encl: As above

SKIPPER LIMITED

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CIN : L40104WB1981 PLC033408 Phone : 033 2289 2327 / 5731 / 5732, Fax : 033 2289 5733
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SKIPPER LIMITED

INVESTOR PRESENTATION

Q1FY'22 Results



12th August, 2021

DISCLAIMER

This Investor Presentation has been prepared by Skipper Limited for investors, solely for informational purposes. The information contained herein has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in this information. Skipper makes no representation or warranty as to the accuracy or completeness of this information and shall not have any liability for any representations (expressed or implied) regarding information contained in, or for any omissions from, this information or any other written or oral communications transmitted to the recipient in the course of its evaluation of the Company. This Information includes certain statements and estimates provided by the Company with respect to the projected future performance of the Company. Such statements, estimates and projections reflect various assumptions by management concerning possible anticipated results, which assumptions may or may not be correct. No representations are made as to the accuracy of such statements, estimates or projections. Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the Company. This presentation may contain statements that are not historical facts, referred to as "forward looking statements." The corporation's actual future results may differ materially from those suggested by such statements, depending on various factors including statements contained in the Company's filings with the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any written or oral forward-looking statements that may be made from time to time by or on behalf of the Company



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.

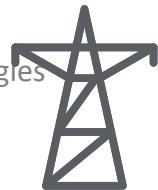


SKIPPER: ONE-STOP SOLUTION PROVIDER

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'21)

Rs11,986mn

Polymer products

Capacity: 51,000 MTPA

- UPVC Pipes
- CPVC Pipes
- SWR Pipes
- HDPE Pipes
- CP & PTMT
- Fittings



Highlights

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

Revenues (FY'21)

Rs2,165mn

Infrastructure projects

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



Highlights

- Forward integration activity
- Aimed at high-margin projects

Revenues (FY'21)

Rs 1,664mn

Q1 FY'22 Update





Q1 Fy'22 – Key Performance Highlights

- ❑ In Q1 Fy'22, business was impacted by second wave of covid-19 pandemic and related challenges; Diversion of Industrial oxygen for medical usage resulted in severe loss of production days.
- ❑ Health and safety of employees and partners remains key focus area for the company ; Almost 90% employees in corporate office and plants vaccinated
- ❑ Plants operating with strict COVID-19 protocols with contingency planning; From July'21 all of the manufacturing units are operating at pre-COVID level of production
- ❑ Secured new order inflow of Rs 4,500 million during the quarter mainly for export supplies; Made inroads into the high potential Asia-pacific market with 2 large power utilities.
- ❑ Forayed into the field of International EPC works ; Bagged its 1st International contract in Nepal.
- ❑ Secured its first ever telecom tower orders for North America; Gained entry into the 2-3 newer market geographies;
- ❑ 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.
- ❑ Added New products in the polymer pipe segment - Launched wide range of bathroom fittings and PTMT under the Skipper Pipes brand.



Awards & Approvals

- Received [European DAST Richtlinie 022 Certificate of Conformity](#) post rigorous audit of our manufacturing and quality processes by IFO Germany, with this certification the company now gets an entry into the highly potential European Power Transmission Market.
- Featured in [D&B's acclaimed publication 'India's Top 500 Companies' \(2021 edition\)](#). Dun & Bradstreet (D&B) is the world's leading provider of global business information, knowledge and insight.
- Awarded with "[Dream Companies to Work](#)" by Economic Times National Feather Award (April 21)
- Awarded with "[Human Excellence Award](#)" by Zen Desk (March 21)



Financial Performance Q1' 22

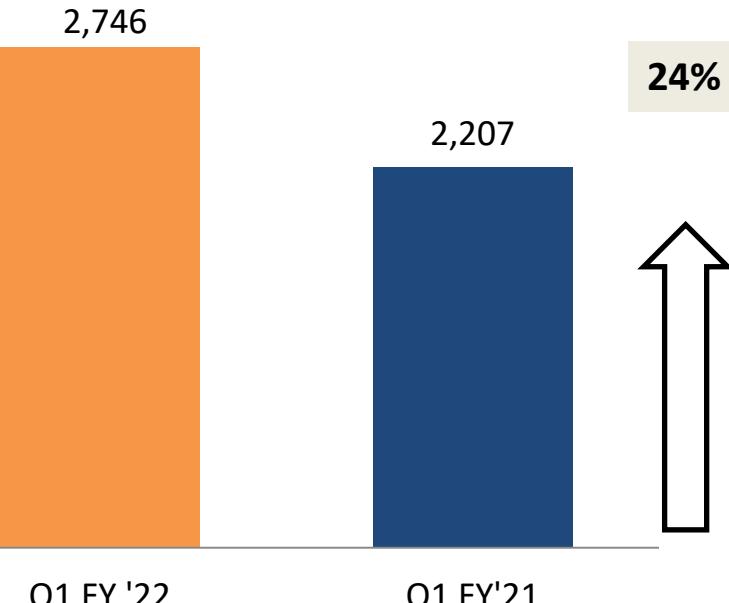
Rs in Mn

SI	Profit & Loss Summary	Q1 FY'22	Q1 FY'21	Change %
1	Revenues	2,746.4	2,207.1	24.4%
2	Reported EBITDA	167.1	90.5	84.7%
	EBITDA Margins	6.1%	4.1%	
3	(+) Other Income	8.9	3.0	
4	(-) Depreciation	119.2	106.3	
5	(-) Finance Cost	198.3	173.1	
6	Profit / (Loss) Before Tax (2+3-4-5)	(141.6)	(185.9)	23.8%
	PBT Margins	-5.2%	-8.4%	
7	Tax	(48.4)	(67.0)	
8	Profit / (Loss) After Tax (8-9)	(93.2)	(118.9)	21.7%
	PAT Margins	-3.4%	-5.4%	

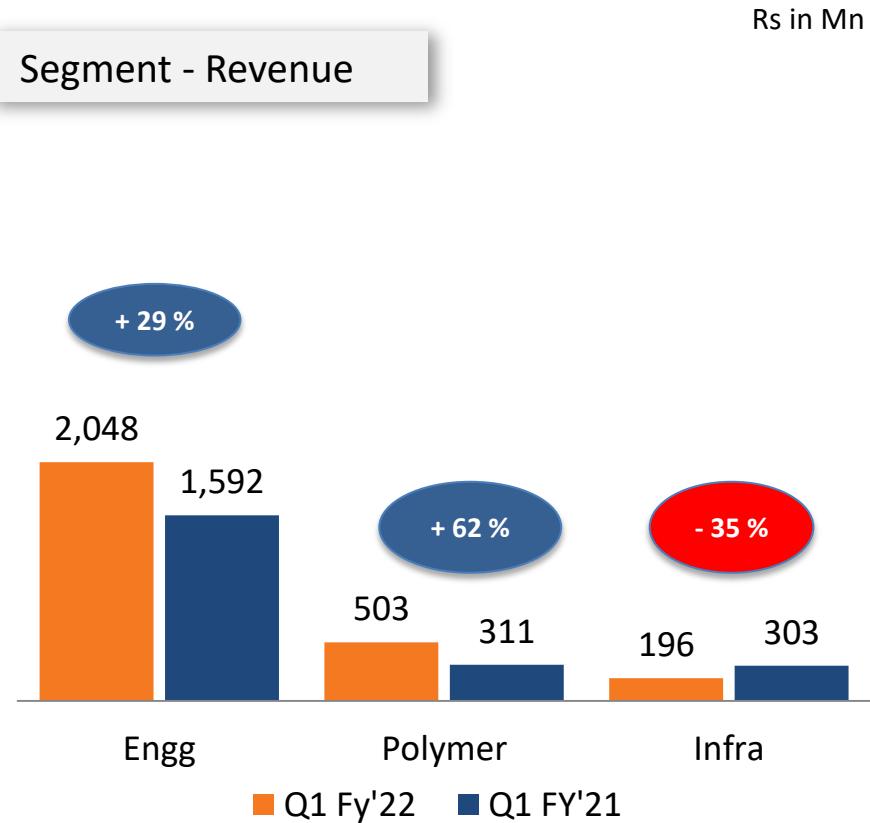
Reported EBITDA includes derivative and foreign exchange Gain / (loss) of Rs 49 mn & Rs 46 mn in Q1 Fy'22 & Q1 Fy'21 respectively



Stand Alone - Revenue



Segment - Revenue



- Revenue up by 24 % YoY despite operational constraints in the wake of COVID-19 second wave
- Strong traction in polymer business ; Polymer share in overall revenue pie increased to 18%



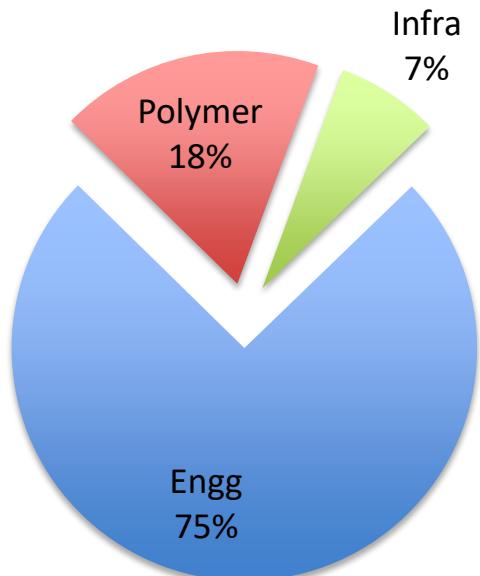
Q1'FY 22 Revenue was impacted on account of -

- The Current year quarter business was severely disrupted due to second wave of Covid-19, which culminated into scaling down of operations post the State lockdown, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc.
- Government mandate on Diversion of Oxygen for medical usage resulted in severe loss of production days, Company's Rolling Mill Plant remained under shutdown and welding / fabrication operation remained compromised for the entire month of April & May'21 and only partially resumed manufacturing starting 3rd Week of June'21.
- Super Cyclonic Storm “**Yaas**” a powerful and deadly tropical cyclone that caused widespread damage in the state of West Bengal and Kolkata region also severely disrupted plant operations and adversely impacted business performance for almost a week in May'21.
- Facing headwinds due to the lack of container unavailability at ports, which is resulting in about 50 percent of our export orders getting pushed over to subsequent months.
- Second Covid wave stifled rural demand for agricultural pipes, resulting in loss of business for polymer pipes.
- Starting July'21, The company have fully resumed Manufacturing & Dispatch operations across its plant, but the operational activities continued to remain compromised with government mandated social distancing measures in place.



Q1 Fy'22 Profitability Margin was impacted on account of -

- Execution miss on account of second wave of Covid ; Supply chain constraint resulted in delay in transmission tower dispatches.
- Low capacity utilisation and Higher incidence of fixed cost got absorbed on reduced revenue (Rolling Mill & Welding Unit remained under shutdown for most part of the quarter on account of Oxygen constraint)
- Increase in Freight cost and higher ocean freight container rates
- Non clarity and delay from Government side in declaring rates for Remission of Duties and Taxes on Exports (RoDTEP)
- Unprecedented commodity price rally in our key raw material (i.e Steel & Zinc) - had its impact on fixed price contracts.
- With restoration of Industrial oxygen supplies, All of the manufacturing units are now operating at pre-COVID level of production.**
- Good recovery from July onwards, revenue of July'21 better than corresponding months of last year.**



Revenue Mix – Q1 FY'22

Segment Performance Q1 FY'22

Segment	Profit & Loss Summary	Q1 FY'22	Q1 FY'21	Change %
Engg Products	Net Sales	2,047.5	1,592.5	28.6%
	EBITDA - Operating	111.6	88.8	25.7%
	% of Sales	5.5%	5.6%	
PVC Products	Net Sales	503.0	311.3	61.6%
	EBITDA - Operating	3.8	(20.8)	
	% of Sales	0.8%	-6.7%	
Infra Projects	Net Sales	195.9	303.4	-35.4%
	EBITDA - Operating	2.9	(23.2)	
	% of Sales	1.5%	-7.6%	
Total	Net Sales Total	2,746.4	2,207.1	24.4%
	EBITDA Total	118.3	44.8	164.1%
	% of Sales	4.3%	2.0%	

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



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 price level

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

Taking 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

Hedging Zinc & Flat Steel Exposure through Vendor & commodity exchange

Negotiating firm prices contract with raw material supplier for longer duration

Expanding Raw material supplier base

Forging Tie-ups with major raw material suppliers with minimum up-liftment commitment to gain maximum possible rebates and discounts.



THE INVISIBLE POSITIVES IN THE DECLINE



1 Skipper reported consecutive q-o-q growth in order book inflow; Secured orders in excess of Rs 4,500 mn during the quarter

2 Skipper continued to increase its non-India exposure; received first time order and enquiry from a number of countries

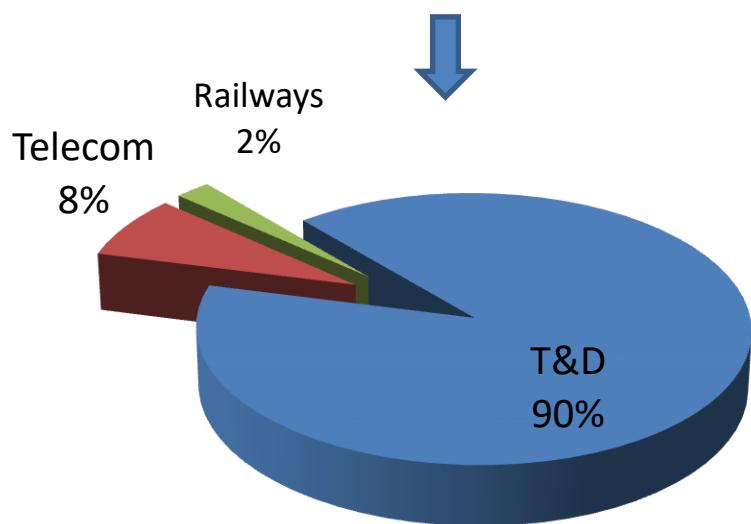
3 Only polymer pipe company to successfully implement Theory of Constraints (TOC) into its operation ;
Retailer touch points increased 10(X) fold in last 2 year period

4 Skipper continued to exercise a bidding discipline; abstained from irrational bidding; protected Balance Sheet integrity

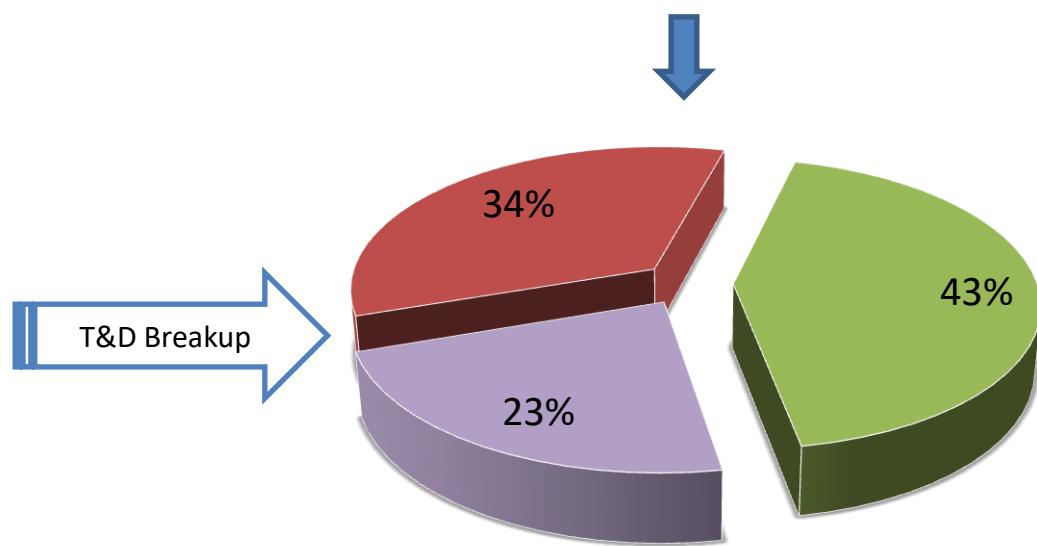


Engineering Products – Order Book Composition – June 2021

Total Order Book
Rs 19,400 million



T&D Order Book
Rs 17,480 million



Domestic – 61%

Export – 39%

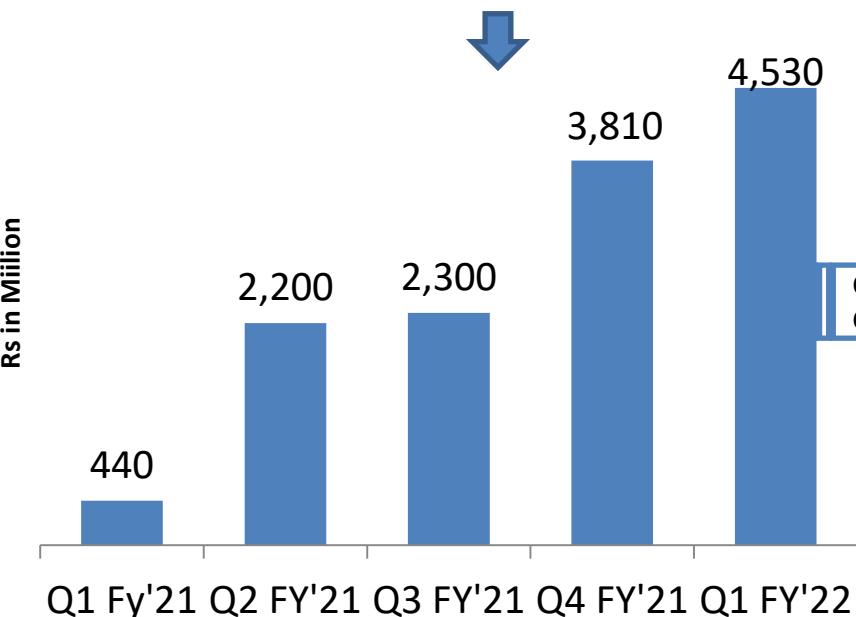
■ PGCIL ■ SEB & Others ■ Export



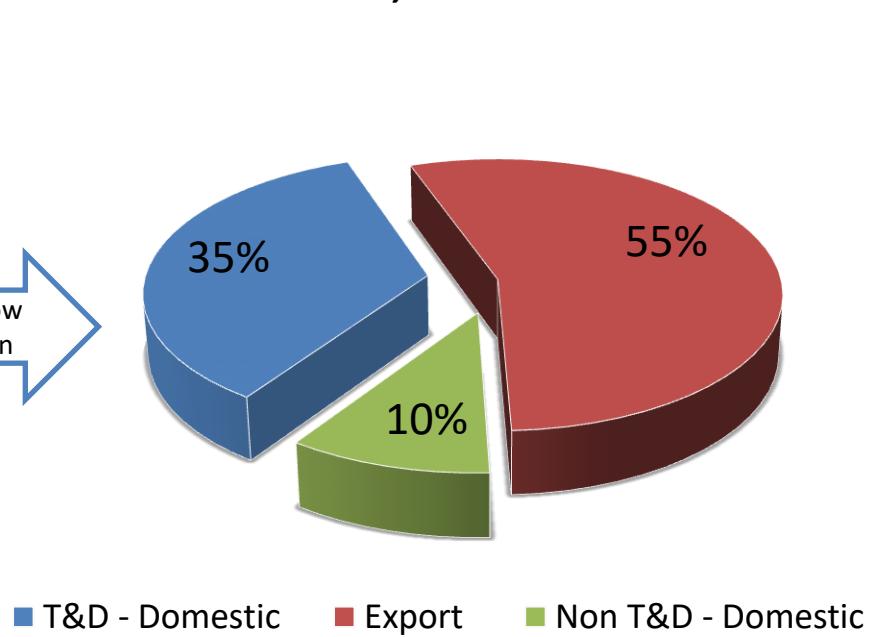
Engineering Products – Order Inflow Composition

- New Order Intake of Rs 4,530 million in Q1 FY'22 for engineering products supply from PGCIL, SEB's & Telecom Players and for various supplies across Asia Pacific , 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; Secured first time Telecom poles order from North America

Qtr Wise - Order Inflow Trend



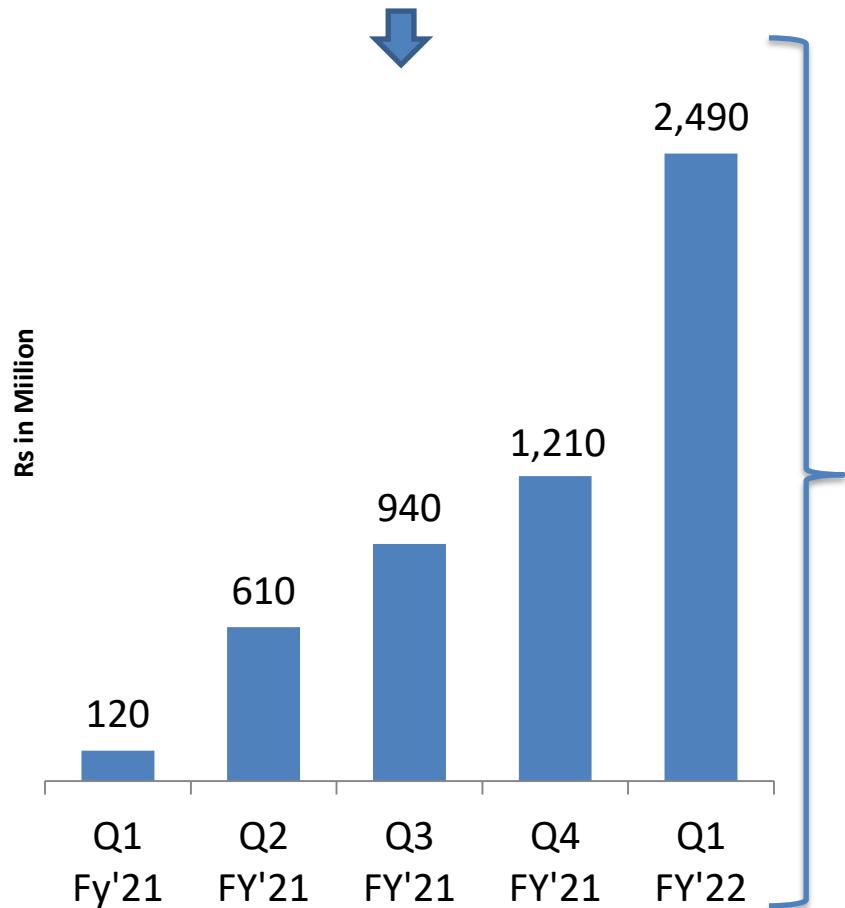
**Q1 FY'22 Inflow Composition
Rs 4,530 million**





Rising Export Share Inflow

Qtr Wise – 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 2,490 million during the quarter and Rs 3,700 million in the past 4 months
- Made inroads into Asia Pacific market with 2 large utilities, which were earlier dominated by Chinese players.
- In advanced stages of negotiation to secure a large size contract in Middle east
- Commodity price movement have plateaued and became range bound now, Customers have now accepted this price shift - **resulting in finalization and awarding of long pending order with them.**
- 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 and commodity price volatility are now showing signs of getting back to normalcy



**Strong Bidding Pipeline of 45,000 Million as on 30th June 2021;
International – 32,000 Mn & Domestic - 13,000 Mn**

- Expecting International Ordering & Execution to gain pace in H1 FY'22;
- 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 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 - now expected to be concluded in next few months.
- ✓ Strong traction in domestic telecom on account of 5G Rollout / High bandwidth usage.
- ✓ Tightening of quality norms by Indian railways will benefit large organised manufacturer; In process of adding more manpower and building capabilities to target upcoming Railway Electrification Projects



PERFORMANCE OUTLOOK

- Q1 Fy'22 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.
- 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
- Expect good traction in International TL orders, While pending domestic TL ordering bids are expected to start getting awarded by Q2'22 / Q3'22
- Continuing efforts to further strengthen the international T&D order book ; positioned to grow exports to 50% of engineering revenue in current year (FY'22) and to 75 % in next 2 years
- Implementation of TOC in both Engineering and Polymer business to significantly improve its working capital cycle and bottom-line profitability



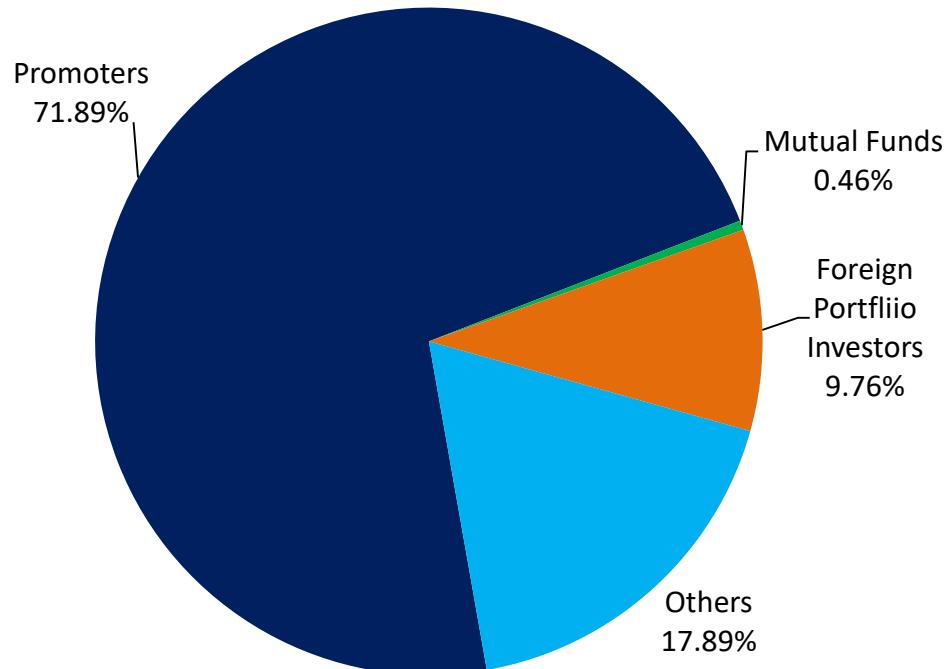
FY'22 - Guidance

- **Revenue Guidance** - Company expects to clock double digit annual revenue growth in FY'22 on back of strong pending execution of engineering contracts and strong polymer segment performance

- **Order Inflow** – Targeting Inflow of Rs 18,000 - 20,000 million in full year, largely on account of international export orders



**Shareholding pattern
as on 30th June 21**



**Major Institutional Shareholders
As on 30th June 21**

Name	%
Baillie Gifford - Pacific Horizon Investment Trust	4.49%
Ocean Dial Asset Management India (ICGF)	4.36%
Polus Global Fund	0.78%
IDFC Sterling Value Fund	0.46%



Future Ready





FOCUS ON GROWING EXPORTS

- **Optimistic outlook:** Positioned to grow exports to 50% of Engineering revenue in current year (FY'22) and to 75 % in next 2 years.
- **Opportunity-ready:** Certified by prominent international organizations for confidence-enhancing certifications
- **Established traction:** Working with over 100 Global EPC player ; Enlisted 10 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 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



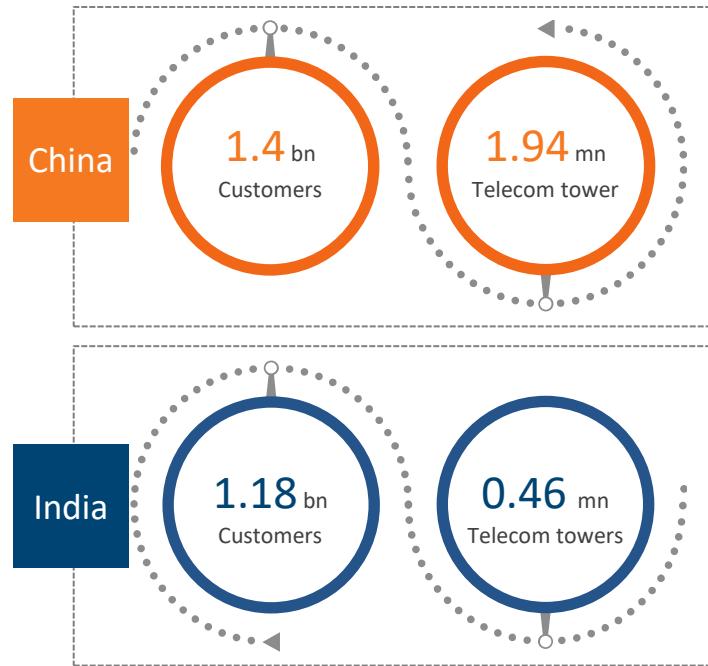
Skipper is clearly poised to be in the winning spot in the International T&D sector

- 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



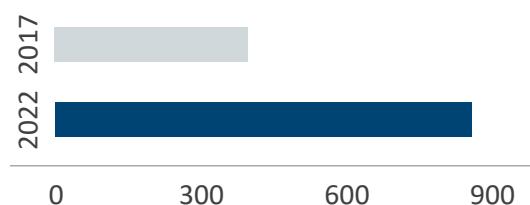
TELECOM TOWER

- India needs around 100,000 additional towers to address growth
- 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

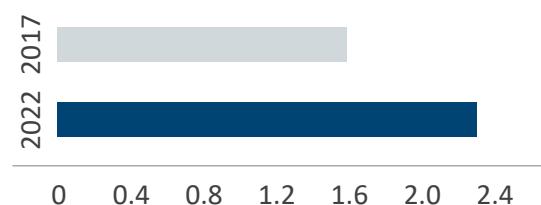


INDIA ON THE CUSP OF MOBILE DATA EXPLOSION

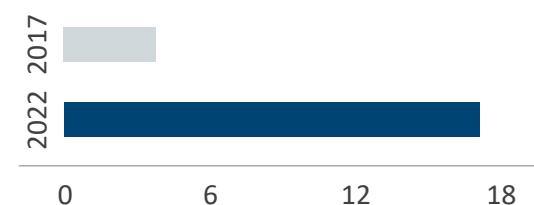
India's smartphone users has more than double by 2022 (in mn)



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 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



More than 2,000 + Employees and Workers were Vaccinated



Thank You

For any queries please contact:

Aditya Dujari (Investor Relations)

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