



KEC INTERNATIONAL LTD.
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai 400030, India
+91 22 66670200
www.kecrpg.com

September 18, 2021

**National Stock Exchange of India
Limited**

Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Symbol: KEC

Scrip Code: 532714

Dear Sir/Madam,

Sub: Press Release - KEC International acquires an EPC company in the Oil and Gas Pipelines sector

We are pleased to enclose a copy of the press release titled “KEC International acquires an EPC company in the Oil and Gas Pipelines sector”.

An Investor presentation on the above is also enclosed.

The above is for your information and records.

Thanking you,
For KEC International Limited

Amit Kumar Gupta
Company Secretary and Compliance Officer

Encl: as above



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KEC International acquires an EPC company in the Oil and Gas Pipelines sector

Mumbai, September 18, 2021: KEC International Ltd. (“KEC”), a global infrastructure EPC major, an RPG Group Company, has today entered into a definitive agreement to acquire 100% equity in Spur Infrastructure Private Limited (“Spur Infra”) for an enterprise value of Rs. 62 crores subject to customary adjustments at closing. The acquisition is expected to be completed within 60 days from the date of agreement.

Spur Infra, incorporated in 2016, is an Indian EPC company engaged in setting up of cross country oil & gas pipelines and city gas distribution networks. In the last three years, Spur Infra has an annual revenue in excess of Rs. 100 crores, a profitable track record, technical expertise, and experienced manpower. Spur Infra has an order book of ~Rs. 600 crores comprising of cross-country pipelines and city gas distribution network projects from marquee customers.

Acquisition of Spur Infra is in line with KEC’s strategy to diversify into adjacent areas of growth. KEC’s proven project management capabilities and extensive experience of executing cross-country linear projects and managing Right of Way (RoW), along with Spur Infra’s technical knowhow, experienced manpower and relevant pre-qualifications will enable KEC to capture the lucrative growth opportunities in the oil and gas cross-country pipelines EPC sector in India as well as in international markets.

Mr. Vimal Kejriwal, MD & CEO, KEC International Ltd. commented, *“We launched the oil and gas pipelines EPC business in line with the Government’s thrust in the sector and our strategy to diversify the business portfolio into adjacencies. This acquisition will enable us to accelerate growth in this sector and establish this business as one of our key growth drivers going forward.”*

About KEC International Limited

KEC International is a global infrastructure Engineering, Procurement and Construction (EPC) major. It has presence in the verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipelines, and Cables. The Company is currently executing infrastructure projects in 30+ countries and has a footprint in 105+ countries (includes EPC, Supply of Towers and Cables). It is the flagship Company of the RPG Group.

About RPG Enterprises

RPG Enterprises, established in 1979, is one of India's fastest growing business groups with a turnover of US\$ 4 Billion. The group has diverse business interests in the areas of Infrastructure, Tyres, Pharma, IT and Specialty as well as in emerging innovation led technology businesses.

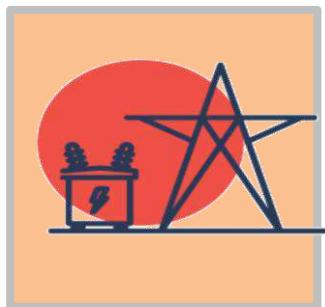
About Spur Infrastructure Private Limited

Spur Infrastructure Private Limited, incorporated in 2016, is an Indian EPC company in the oil and gas pipelines sector, with operations in cross country pipelines and city gas distribution networks.

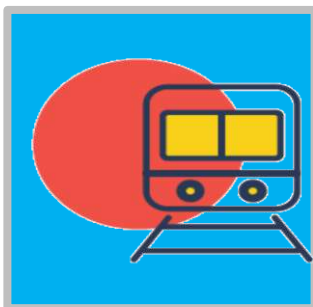
KEC International Limited

Investor Presentation Acquisition of Spur Infrastructure Private Limited

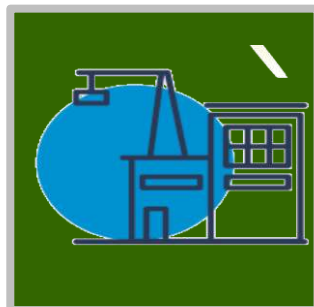
18 September 2021



Power T & D



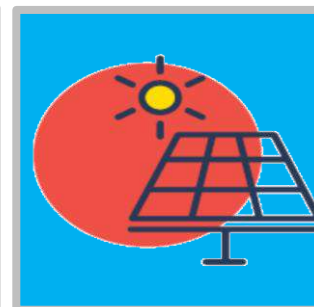
Railways



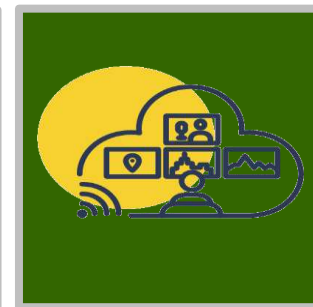
Civil



Cables



Solar



Smart Infra



Oil & Gas Pipelines

Disclaimer

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events and involves known and unknown risks, uncertainties and other factors. The Company cannot guarantee that these assumptions and expectations are accurate or exhaustive or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. No obligation is assumed by the Company to update the forward-looking statements contained herein.

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Acquisition Highlights

Company Acquired

- KEC has entered into a definitive agreement to acquire 100% equity of Spur Infrastructure Private Limited, incorporated in 2016, an Indian EPC company in the oil and gas pipelines sector

Specialisation

- Specializes in setting up of cross country oil & gas pipelines and city gas distribution networks with relevant pre-qualifications
- Access to marquee customers such as GAIL, IOCL, IGL, etc.
- Technical knowhow, experienced manpower and best in class owned equipment

Key Metrics

- Annual Revenue in excess of Rs. 100 crores in last three years (FY21 – Rs. 104 Cr, FY20 – Rs. 124 Cr & FY19 - Rs. 132 Cr)
- Profitable track record
- Healthy order book of ~Rs. 600 crores
- Expected to deliver a strong Revenue growth going forward

Purchase Consideration & Mode of Financing

- Enterprise value of Rs. 62 crores, subject to customary adjustments on closing, through cash consideration
- Transaction will be funded through KEC's internal accruals and expected to close within next 60 days
- The transaction is expected to be EPS accretive to KEC from the first year FY22

Spur Infra – Key Clientele



Oil and Gas Pipelines – Key Market Drivers



National Gas Grid

- One Nation, One Gas Grid – Govt. plans to complete national gas grid connecting all major demand & supply centers of natural gas
- Govt.'s ambitious target to increase Gas in energy mix from current 6% to 15% by 2030

Hydrocarbon Vision 2030

- Significant pipeline projects planned for North-East India

Network expansion Plans

- Impetus on increasing pipeline's share in transporting petroleum products
- Focus on spur lines to connect city gas distribution network to cross-country pipelines

Increasing Refining Capacity

- Increasing refining capacity of crude oil by 2x, from 250 MMTPA to 450 MMTPA by 2030

Acquisition Rationale – Synergies Accelerating Business Growth

In line with KEC's strategy to diversify into adjacent areas of growth

KEC

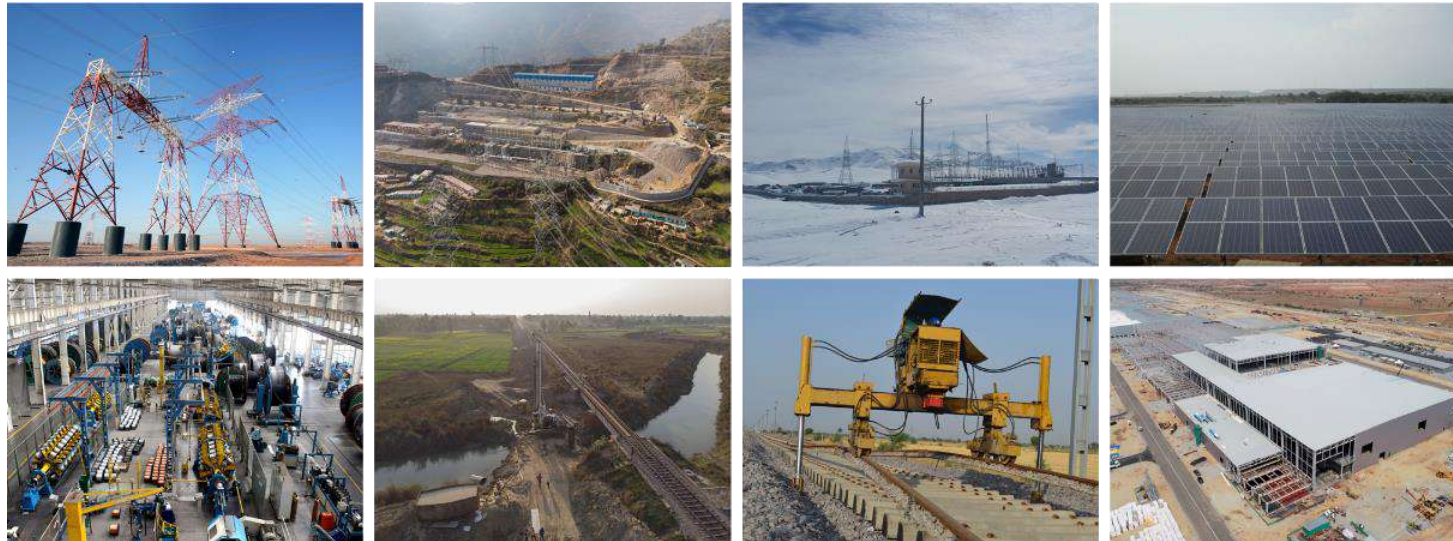
- Proven project management capabilities
- Multi- sectoral EPC strengths
- Extensive experience of executing cross-country linear projects
- Managing Right of Way (RoW)
- Strong business development and tendering to enhance market penetration

Spur Infra

- Relevant Pre-qualifications
- Healthy order book
- Access to reputed clientele
- Technical knowhow, experienced manpower and best in class owned – equipment
- Strong financial performance – profitable track record

Will enable KEC to capture lucrative growth opportunities in the oil & gas cross-country pipelines sector

THANK YOU



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