



**Hindustan Construction Co Ltd**

# **Investor / Analyst Presentation**

**Q3 FY2017-18**



# Presentation Flow

<b>HCC</b>	-	<b>Performance Highlights &amp; Financial Results</b>
<b>HCC E&amp;C</b>	-	<b>Updates</b>
<b>Steiner AG</b>	-	<b>Updates</b>
<b>HCC Infrastructure</b>	-	<b>Updates</b>
<b>Lavasa</b>	-	<b>Updates</b>

# Key Financial Highlights: 3Q FY18 and 9M FY18

Results are in accordance with the Indian Accounting Standards (IndAS) notified by the Ministry of Corporate Affairs

## ➤ 3Q FY18 Highlights

- Total Income (excluding Other Income) at Rs.1,231 cr vs. Rs.944 cr in 3Q FY17
- EBITDA margin (excluding Other Income) at 13.3% vs. 17.1%
- Finance costs at Rs.151 cr vs. Rs.195 cr
- Profit after Tax of Rs.31 cr vs. Rs.1 cr
- Orders received in 3Q FY18: Rs.254 cr

## ➤ 9M FY18 Highlights

- Total Income (excluding Other Income) at Rs.3,132 cr vs. Rs.2,838 cr in 9M FY17
  - EBITDA margin (excluding Other Income) at 15.5% vs. 18.7%
  - Profit after Tax of Rs.61 cr vs. Rs.39 cr
  - Orders received in 9M FY18: Rs.2,030 cr
- Order backlog as on Dec 31, 2017, at Rs.20,027 cr, excluding L1 contracts worth Rs.247 cr

# Financial Performance : Q3 FY 2017-18 (y-o-y & q-o-q)

Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

	Q3 FY18	Q3 FY17	y-o-y	Q2 FY18
	Rs. cr	Rs. cr	%	Rs. cr
<b>Total Income</b>	<b>1,293</b>	<b>1,016</b>	<b>27%</b>	<b>1,032</b>
Construction Cost (incl. material) / other exp.	959	689	39%	712
Employee Cost	108	94	16%	110
<b>EBITDA (excluding Other Income)</b>	<b>164</b>	<b>161</b>	<b>2%</b>	<b>149</b>
<b>EBITDA margins (%) (excluding Other Income)</b>	<b>13.3%</b>	<b>17.1%</b>		<b>15.3%</b>
Finance Cost	151	195	(23)%	163
Depreciation	29	31	(5)%	30
Exceptional Item	-	-		-
<b>Profit / (Loss) Before Tax</b>	<b>46</b>	<b>8</b>		<b>18</b>
Tax	15	3		6
<b>Profit / (Loss) After Tax</b>	<b>31</b>	<b>5</b>		<b>12</b>
Other comprehensive income after tax	(1)	(3)		3
<b>Total Comprehensive Income (after Tax)</b>	<b>31</b>	<b>1</b>		<b>15</b>

# Financial Performance : 9M FY 2017-18 (y-o-y)

Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

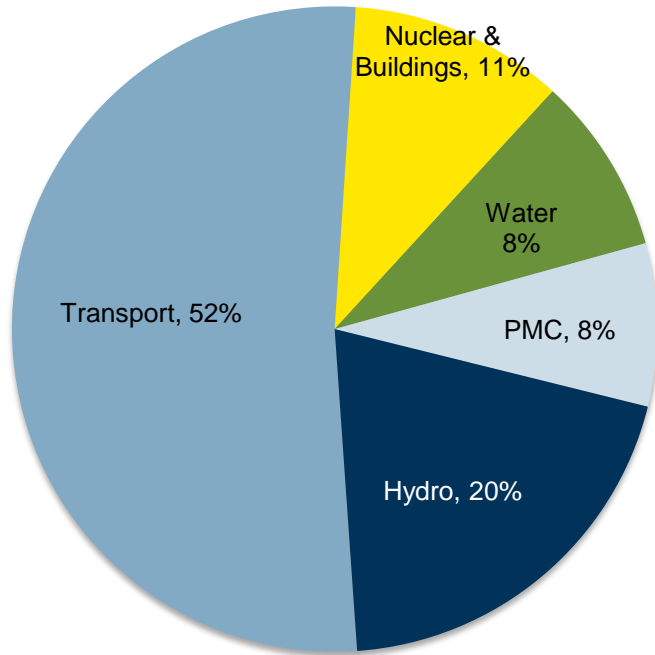
	9M FY18	9M FY17	y-o-y
	Rs. cr	Rs. cr	%
<b>Total Income from operations</b>	<b>3,314</b>	<b>3,029</b>	9%
Construction Cost (incl. material) / other exp.	2,325	2,023	15%
Employee Cost	322	286	13%
<b>EBITDA (excluding Other Income)</b>	<b>485</b>	<b>530</b>	(9)%
<b><i>EBITDA margins (excluding Other Income)</i></b>	<b>15.5%</b>	<b>18.7%</b>	
Finance Cost	496	564	(12)%
Depreciation	88	97	(9)%
<b>Profit / (Loss) Before Tax</b>	<b>83</b>	<b>60</b>	39%
Tax	26	21	
<b>Profit / (Loss) After Tax</b>	<b>57</b>	<b>39</b>	49%
Other comprehensive income (after tax)	3	0	
<b>Total Comprehensive Income (after Tax)</b>	<b>61</b>	<b>39</b>	57%



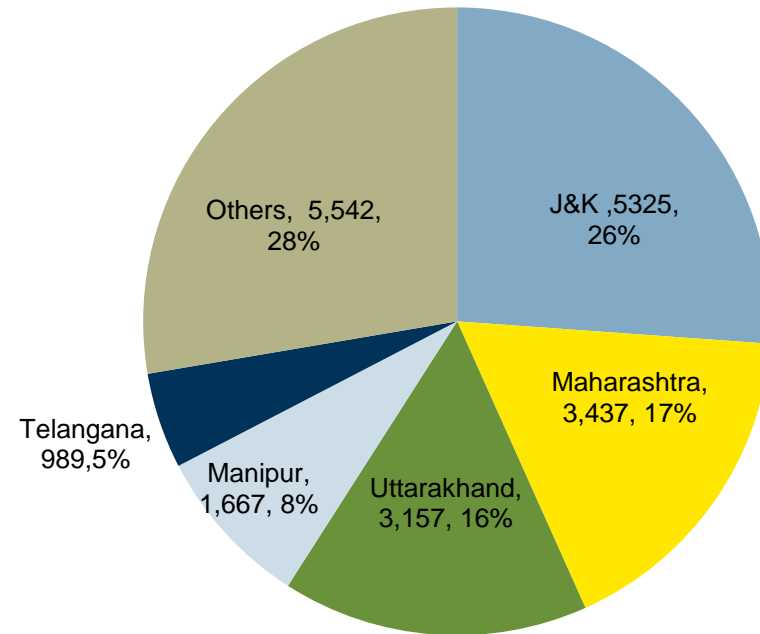
**HCC E&C**

# Order Backlog – Rs.20,227 cr

## Order Backlog - Business Line wise Breakup



## Order Backlog - Geographic Breakup



**Balanced portfolio having geographical spread across the country**



# Orders Won: up to Dec 31, 2017

## Projects awarded in FY18 (up to Dec 31, 2017): Rs.2,030 cr

No.	Business Line	Name of Project	Client	HCC Share (Rs. cr)
1	Water	Parwan Dam + Tunnel	Water Resource Department , Rajasthan	606
2	Transportation	HSR Road - RV Stn. Reach 5 [Pkg 3]	Bangalore Metro Rail Corporation Ltd.,	406
3	Nuclear	Construction of Building 401 (Block 3 to 7)	Indira Gandhi Centre for Atomic Research	764
4	Transportation	9 nos. elevated station of Pune metro station	Mumbai Metro Rail Corporation	254
<b>Total awarded projects</b>				<b>2,030</b>

## L1 projects – Rs.247 cr (awarded on Jan 4, 2018)

No.	Business Line	Name of Project	Client	HCC Share (Rs. cr)
1	Transportation	8 nos. elevated station of Pune metro station	Mumbai Metro Rail Corporation	247
<b>Total – L1 Bids</b>				<b>247</b>

Under arbitration	Post-arbitration award stages				
Arbitration tribunal	Fresh Arbitration Awards	Lower Court	High Court Single Judge	High Court Division Bench	Supreme Court
Rs.5,333 crores	Total arbitration awards in favour Rs.4,538 crores as of December 31, 2017				

### **Status as on Dec 31, 2017**

Total Awards as on Dec 31, 2017	4,538
Collected through Court against BG	315
<b>Net Awards</b>	<b>4,223</b>

Collection as per CCEA Order till date	100% Arbitration Award	75% Payable Amount	Collected	Balance
Letters received per CCEA	2,456	1,830	1,416	414
Letters to be received as on date	1,335	1,001	-	1,001
State government	432	-	-	-
<b>Total</b>	<b>4,223</b>	<b>2,831</b>	<b>1,416</b>	<b>1,415</b>



**Steiner AG**

- Steiner AG, Headquartered in Zurich, is a leading Real Estate Developer and Total Services Contractor in the Swiss real estate market. Specializes in turnkey development of new buildings and renovation of existing properties
- Closing order backlog at CHF1,495 million (Rs.9,795 cr)
- Order intake during 9M FY 2017-18 CHF839 million (Rs.5,497 cr) and CHF273 million (Rs.1,787 cr) in 3Q FY18
- Cash balance CHF119 million (Rs.779 cr)
- Key financials of Steiner AG:

As per IGAAP	Q3 FY 2017-18	Q3 FY 2017-18	Q3 FY 2016-17	Q3 FY 2016-17
	CHF Million	Rs. cr	CHF Million	Rs. cr
Turnover	222.6	1,459.4	231.6	1,557.7
PAT/ (Loss)	1.5	9.8	-1.5	-10.1

(for P&L: exchange rate of 1 CHF = Rs 65.56 for quarter ended December 31, 2017)

(for P&L: exchange rate of 1 CHF = Rs 67.26 for quarter ended December 31, 2016)

(for BS: exchange rate of 1 CHF = Rs 65.52 as of December 31, 2017)



## **HCC Infrastructure / HCC Concessions**

# Business Update (Q3 – FY18)

- Baharampore – Farakka – Raiganj – Dalkhola (NH-34 Packages 3, 4, 5)
  - Farakka-Raiganj (Pkg 4): Avg daily revenue of Rs.37.5 lakh for Q3 FY18; traffic growth 16% y-o-y & PCU growth 20% over Q3 FY17
  - Farakka-Raiganj (Pkg 4): 9M FY18 PCU growth 11% y-o-y
  - Baharampore-Farakka (Pkg 3): Avg daily revenue of Rs.42.7 lakh in Q3 FY18; traffic growth 17% y-o-y & PCU growth 20% over Q3 FY17
  - Baharampore-Farakka (Pkg 3): 9M FY18 PCU growth 10% y-o-y
  - Arbitration award of Rs.448 cr for Pkg 3 claims received in Q2 FY18 whilst Arbitration for Pkg 4 for Rs.721 cr claims (for land delays) is expected by Q1 FY19
  - Raiganj-Dalkhola (Pkg 5): Project terminated. Arbitration for recoveries commenced
  
- Delhi-Faridabad (NH2)
  - Concessionaire issued Termination Notice Sep 1, 2017, along with demand for termination payment. Arbitration for recovery to commence



Farakka Raiganj Highway: Toll Plaza at Km 297



Km 341 (Farakka Raiganj Highway)



# Lavasa Corporation Limited



# Invocation of SDR in Lavasa

- Lenders invoked Strategic Debt Restructuring (“SDR”) in the Joint Lenders Forum held on September 20, 2017 for conversion of part of debt into equity
  - Lowering of debt burden by converting part of debt into equity as part of SDR
  - Implementation of proposed business plan
  - Infusion of fresh capital by way of strategic or financial investor to implement the project
  - Lenders acknowledged working capital needs of the project to be resolved on a priority basis
- Investors approached and diligence process underway



# Lavasa - Operational Highlights

- Footfall at Lavasa in 3Q FY18 was up 14% y-o-y at ~270,000
- Hospitality revenue in 9M FY18 was up 25% y-o-y at Rs.26.8 crores
- Overall hotels' average occupancy up 240bps y-o-y in 9M FY18
- Retail revenue in 9M FY18 was up 11% y-o-y, while Tourism revenue rose 55%



**НСС**